



SUSTAINABILITY REPORT 2016



TERPEL PUBLISHES ITS EIGHTH SUSTAINABILITY REPORT



GRI 4-17 4-20 4-21

In this report the company is pleased to present its economic, social, and environmental performance in Colombia, Ecuador, Mexico, Panama, Peru, and the Dominican Republic for the business lines: service stations, natural gas vehicle fuel, lubricants, aviation, marine, industry, and complementary services. The

report corresponds to the period from January 1 to December 31 of the year 2016. It is our Communication on Progress (COP) for the United Nations Global Compact, and has been structured according to the Core Option of the Global Reporting Initiative (GRI). The information was independently assured by Deloitte & Touche Ltda.

For further information on Terpel's sustainable management model or sustainability reports, contact Tatiana Orjuela Cabrera Tatiana.Orjuela@terpel.com or visit <https://www.terpel.com/en/Sostenibilidad/> or <https://www.terpel.com/Global/Sostenibilidad/rs-ot-2016.pdf>

CONTENIDO

4

EDITORIAL

6

**TERPEL
FOCUSES ON
SUSTAINABILITY**

14

**MEMORABLE
EXPERIENCES AND
NETWORK CONSOLIDATION**

33

**GOOD CORPORATE
GOVERNANCE**

38

**GROWTH OF THE
TERPEL TEAM**

61

**SUPPLIER
DEVELOPMENT**

71

**PROTECTION
OF THE ENVIRONMENT**

84

**COMMUNITY
WELLBEING**

96

GRI G4 CONTENT INDEX

Editorial



WHAT MAKES OUR TERPEL BRAND GREAT

IN 2016 WE MADE POSITIVE AND HIGHLY significant changes that will allow us to continue making strides in our journey as the #1 brand in the heart of Colombians.

We initiated new mechanisms for natural gas and energy purchases (essential inputs), we gained new aviation business in Colombia and in affiliates, and we took the first steps towards importing fuel.

We were on the job with our affiliates at significant moments with our supply assets and extensive network coverage. We successfully entered the mining business with our lubricants and, in that same

Editorial

segment, patented a new product that only we can market. We implemented innovations in the fuel business such as *My Business* - a network of prepaid services for small and medium-sized enterprises - *PagoClick* for mobile payments, and car washes exclusively for motorcycles.

In addition to all that, we took initiatives to help us serve customers and affiliates more quickly and with easier access with new assets that expand supply capacity, better and innovative training programs, modern telecommunication systems, additional services such as electronic invoicing, and the *Collection Center* for franchises and brand affiliates.

In the framework of the *Up with Colombia* campaign, we highlighted not only the country's diversity and wealth, but the company's origin and our extensive knowledge of all of Colombia's regions. We updated our image in more than half our network of service stations across the country. With these marvelous service stations, we now have the largest network of convenience stores in different formats. They are pioneers in terms of offering regional products in line with the tastes and habits of the different regions where stores have been established.

As a result of the second Dow Jones Sustainability Index (DJSI) assessment,

we are in the RobecoSam Sustainability Year Book, having received the Bronze Class distinction and been recognized as an Industry Mover based on our commitment, hard work, and progress with our sustainable development focus.

In the framework of a people-focused strategy and our commitment to sustainable development and the *United Nations Global Compact* principles, we continue in our purpose of being innovators, encouraging leadership, growing together with the business people making up our service station network, creating quality jobs, strengthening supplier relationships, being good neighbors, protecting the environment, contributing to quality education, and creating shareholder value.

Accordingly, our operations in Ecuador, Mexico, Panama, Peru, and the Dominican Republic make our brand great through their environmental, social, and economic initiatives.

We continue to stride forward, always challenging ourselves to get better with each new day. We are convinced that innovation is the engine for rising to the challenge we have set for ourselves of being the best option in terms of infrastructure, price, and service. Meanwhile, we promote the growth of everyone who forms a part of Terpel and of our partners, the development of the areas where we operate, and the conservation of the environment.

Sylvia Escovar Gómez

President Organización Terpel S. A.

**OUR OPERATIONS IN
ECUADOR, MEXICO, PANAMA,
PERU, AND THE DOMINICAN
REPUBLIC MAKE OUR BRAND
GREAT THROUGH THEIR
ENVIRONMENTAL, SOCIAL,
AND ECONOMIC INITIATIVES.**

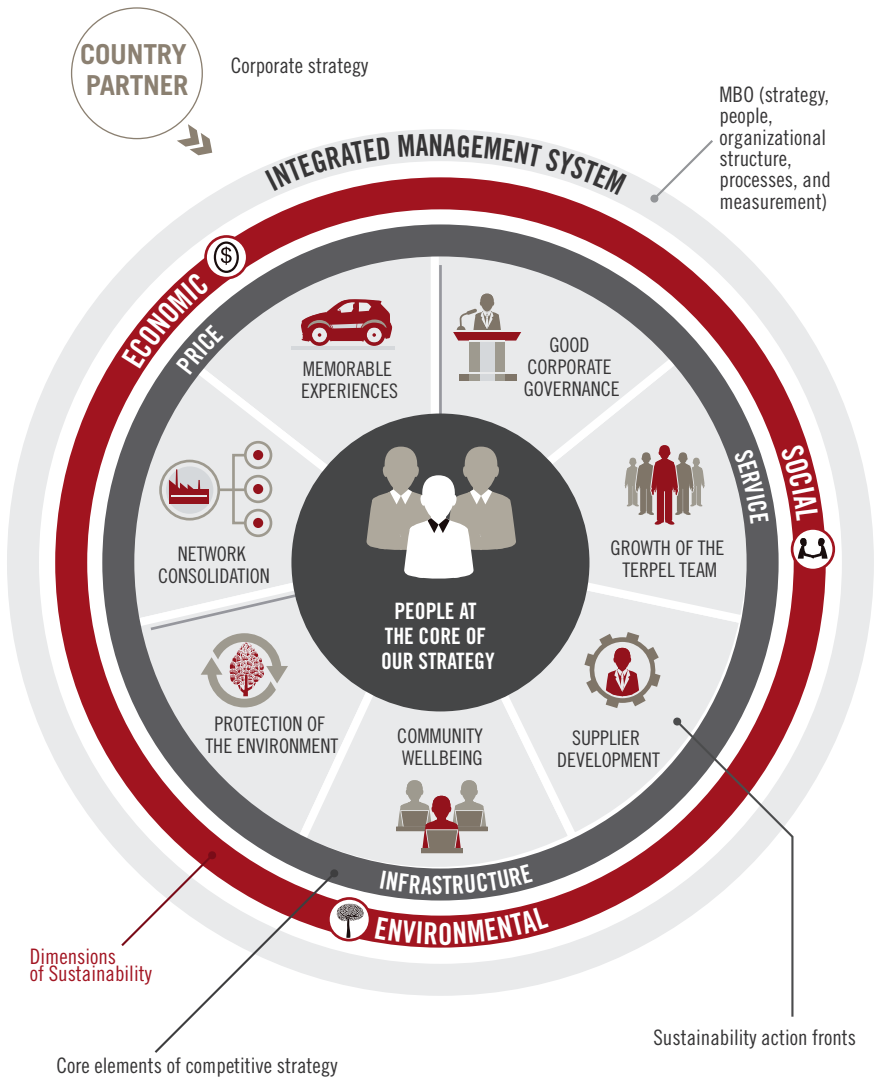
Terpel Focuses on Sustainability

A sustainable development focus is embedded in the company's business strategy, guiding both decision-making and actions.

GRI G 4-18 G 4-19 G 4-27

TERPEL'S SUSTAINABLE MANAGEMENT MODEL REFLECTS A PEOPLE-FOCUSED STRATEGY

Sustainability action fronts are material aspects for Terpel and its stakeholders. Each year, the organization structures its exercise of accountability based on these action fronts. For each one of them, it has identified significant aspects on which to focus its work.



Terpel is committed to make each element dynamic in its sustainable management model, to establish goals, and to work continuously to meet them.



Daniel Perea Villa, VP Corporate and Legal Affairs, describes the model

What is the relationship between Terpel's business strategy and its work with the sustainability model?

Our business strategy is so permeated by a sustainability approach, that it is part and parcel of the sustainable management model. Our competitive strategy focuses on offering the customer a

differentiated service, modern and friendly infrastructure, and the most competitive price in order to maintain our place as the #1 brand in the heart of consumers.

In addition, under our Country Partner premise, we put the interests of the places we operate ahead of our own.

We mobilize development everywhere we operate, creating high-quality jobs, contributing to the progress of neighboring communities, fomenting quality education through the Terpel Foundation's educational programs, and conserving the environment.

What are sustainability action fronts?

Sustainability action fronts are the focus of our work to create value for our stakeholders.

Memorable Experiences:

we give our best to meet our consumers' needs, to be their trusted ally in all their travels, and to respond to their preferences with actions.

Good Corporate Governance:

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

Growth of the Terpel Team:

we contribute to the wellbeing of our employees, who identify with our values and strategy. Their dedication to service motivates them to be the number one 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 benefit that strengthen our businesses.

Community Wellbeing:

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.

Protection of the Environment:

our operation meets the highest standards for quality and safety as a friend of the environment. We are committed to improving the quality of life in the places we operate by taking care of the environment, implementing initiatives to mitigate the impact of our value chain, and reducing our ecological footprint.

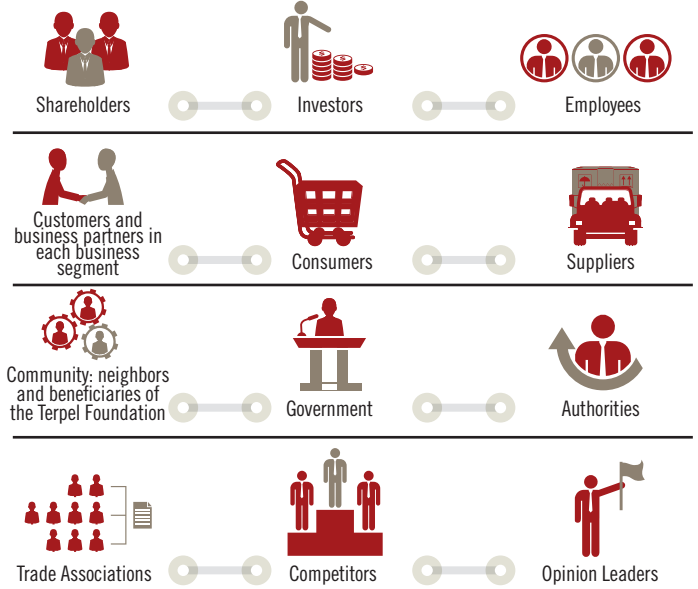
GRI 4-24 4-25 4-26

At Terpel, People are at the Core of our Strategy

Terpel maps out its stakeholders based on variables such as business line, operating context, and relationships of influence and impact between the company and different parties.

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

GRI 4-24



GRI 4-19 4-27

Terpel Focuses its Management on Material Aspects

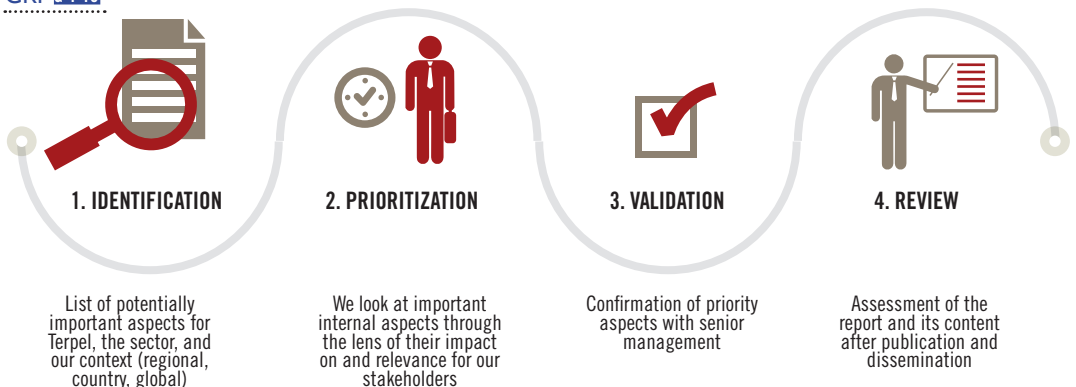
Our material aspects are related to the business strategy, stakeholder expectations, sector trends, and specific is-

sues at Terpel’s operation sites. These aspects are then divided into three levels according to the degree of influence they

have on the company’s decisions, stakeholder evaluations, and the impact these matters have on the company’s economic, social, and environmental performance.

Terpel uses the following process to divide them into segments:

GRI 4-18



MATERIAL ASPECTS

GRI [G 4-19](#) [G 4-27](#)



BOUNDARIES AND LIMITS

GRI [G 4-18](#) [G 4-20](#) [G 4-21](#)

MATERIAL ASPECTS (LEVEL 1)	BOUNDARIES: AREA OF IMPACT FOR MATERIAL ASPECTS		SUSTAINABILITY REPORT 2016
	INSIDE TERPEL	OUTSIDE TERPEL	
Profitability		Shareholders Investors	Terpel Creates and Distributes Value
Good Corporate Governance and Transparency	Employees	Shareholders Investors Suppliers	Good Corporate Governance
Fair Labor Relations and Conditions	Employees	Suppliers	Growth of the Terpel Team Supplier Development
Safe Operating Conditions	Employees	Affiliates Customers	Growth of the Terpel Team
Accompaniment for affiliates, suppliers, customers, and consumers	Employees	Affiliates Customers Consumers Suppliers	Memorable Experiences Growth of the Terpel Team
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

Respect for Human Rights is at the Foundation of Terpel's Work

In pursuit of a bigger challenge for ourselves in line with United Nations Guiding Principle 15 on Business and Human Rights, the organization reviewed its human rights policy. That policy is aligned with the main international instruments in this area, including 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.

Global Compact Principles 1 and 2

The Human Rights Policy establishes guidelines for respecting and promoting human rights in all of Terpel's actions and engagements with its stakeholders. The policy applies to all operations and its scope is the company's value chain.

PILARS

GENERAL

Global Compact Principles 1 and 2

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

LABOR PRACTICES

Global Compact Principles 3, 4, 5 and 6

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

ENVIRONMENTAL PRACTICES

Global Compact Principles 7, 8 and 9

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

SUPPLY CHAIN

Global Compact Principles 1, 2 and 10

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

COMMUNITIES

Global Compact Principles 1 and 2

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

TERPEL MOVES AHEAD ON REESTABLISHING HUMAN RIGHTS DUE DILIGENCE

Company managers responsible for stakeholder engagement and key processes identified and evaluated current and potential negative consequences for human rights. The exercise identified levels of risk and direct and indirect negative impacts, and evaluated the company's confidential reporting mechanisms. It concluded that currently Terpel has no critical human rights risks, while identifying opportunities for improvement.

Accordingly, in 2017, action plans were developed to prevent real and potential human rights impacts in the value chain, with a priority on transporters and indirect employees in the service station network.

Terpel, Measured with the Highest Standards for Sustainability

As a result of the second evaluation using the Dow Jones Sustainability Index (DJSI), Terpel joined the list of Colombian companies that are world leaders in sustainability. The company was included in the RobecoSAM Sustainability Yearbook 2017, one of the world's most complete and well known publications regarding best practices in corporate sustainability. The company received a Bronze Class

distinction and was recognized as an Industry Mover based on its performance and hard work in this area.

Being one of the most sustainable companies in the fuel sector is a recognition that motivates Terpel to continue working together with its stakeholders to contribute to the country's development, conservation of the environment, and achievement of its economic goals.

CHALLENGES 2017

- ▶ Teach employees about the human rights due diligence process.
- ▶ Strengthen the sustainability model in Panama.
- ▶ Continue sustainable management to strengthen stakeholder engagement.

GRI 6 4-19 6 4-20 6 4-21 6 4-27

Material Aspect: Profitability

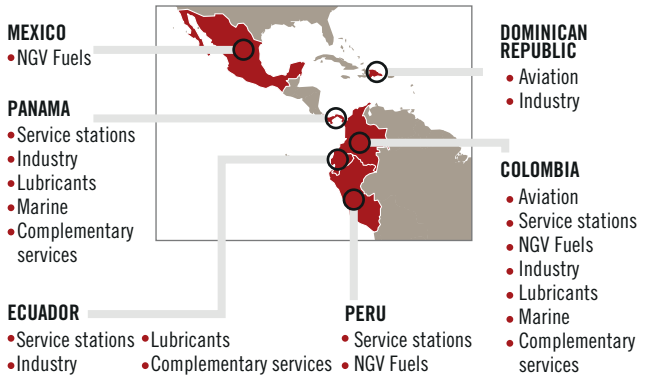
Terpel Creates and Distributes Value¹

How does Terpel describe its Corporate Purpose?

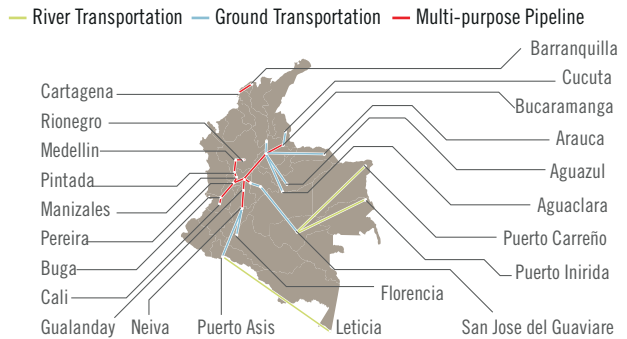
We distribute and market fuels and lubricants, while creating shared value and generating memorable experiences. We move people by land, sea, and air using our network of service stations, supply plants, airports, and ports.

Putting people at the core of its strategy is what orients Terpel as it moves ahead with its transformation of the fuel sector. Partners, shareholders, employees, and suppliers have helped mobilize this change reflected in better service, making Terpel the #1 brand of Colombians.

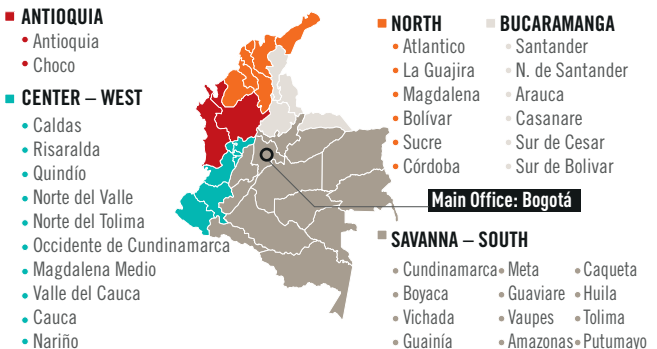
BUSINESS LINES



PLANTS IN COLOMBIA



REGIONAL DIVISIONS IN COLOMBIA

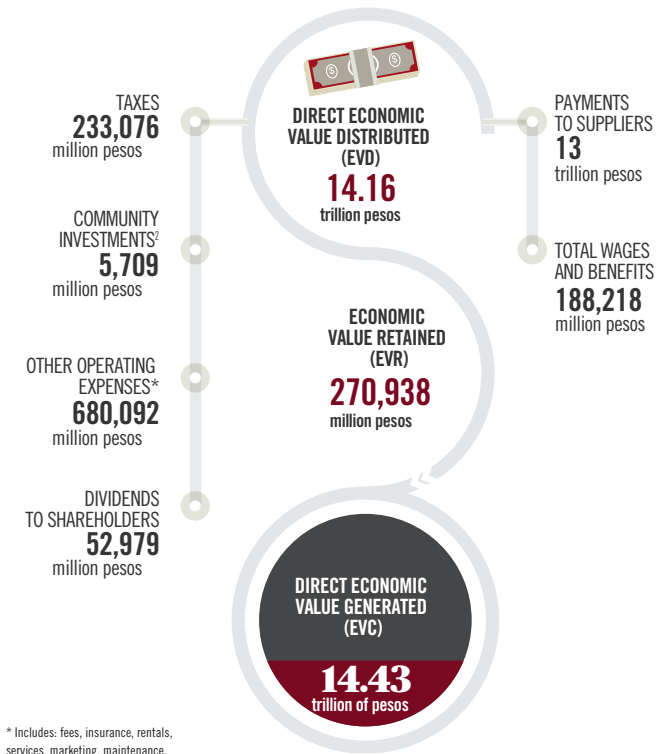


1. Consolidated figures for Terpel and its subsidiaries (Colombia, Ecuador, Mexico, Panama, Peru and the Dominican Republic).

EBITDA
659,627
 million pesos

SALES VOLUME
2,452
 million gallons

NET PROFIT
196,516
 million pesos



* Includes: fees, insurance, rentals, services, marketing, maintenance, travel, depreciation and amortization.

COLOMBIA	GOAL 2016	PROGRESS 2016	MET	GOAL 2017
EBITDA	490,478 million pesos	557,479 million pesos	114%	545,983 million pesos
Volume	1,887,632 thousand gallons	1,953,371 thousand gallons	103%	2,032,360 thousand gallons
Cost per gallon	201.6 pesos per gallon	197.7 pesos per gallon	102%	207.7 pesos per gallon
Net income	127,888 million pesos	196,516 million pesos	154%	166,760 million pesos
CAPEX in Service Stations	100%	91,4%	91,4%	100%
Image	4.5 survey score	4.2 survey score	94%	4.5 survey score
Service	4.0 survey score	3.83 survey score	96%	4.0 survey score
Customer Satisfaction	8.8 survey score	8.49 survey score	96.5%	8.8 survey score

2. Figure reported only for Colombia.

Evolution

GRI 6 4-19 6 4-20 6 4-21 6 4-27

Material Aspects:

- Profitability
- Accompaniment for affiliates, suppliers, customers, and consumers

MEMORABLE EXPERIENCES AND NETWORK CONSOLIDATION



What is Terpel's commitment regarding memorable experiences and network consolidation?

We are committed to innovating and developing attractive ideas for our consumers, who are at the core of our strategy. Our dedication to service motivates us to satisfy our customers' needs and give them memorable experiences with all our business lines, products, and services.

We work daily to develop a robust network of services reaching every corner of the country, where we offer the same

experience, so our brand will work its way into the hearts of consumers. Our affiliates and franchises help us build these dreams and ambitions, because they share our philosophy of work and the way we act, making our promise a reality of offering memorable experiences.

We conceive of venues for work and growth that will help them obtain the profitability they hope for, and put in motion programs to help them be more competitive and provide them with greater benefits. That's why they see us as their best option for doing business in a demanding market.

Our customers and consumers are the essence of our motivation for thinking out-of-the-box, innovating, and exceeding expectations.

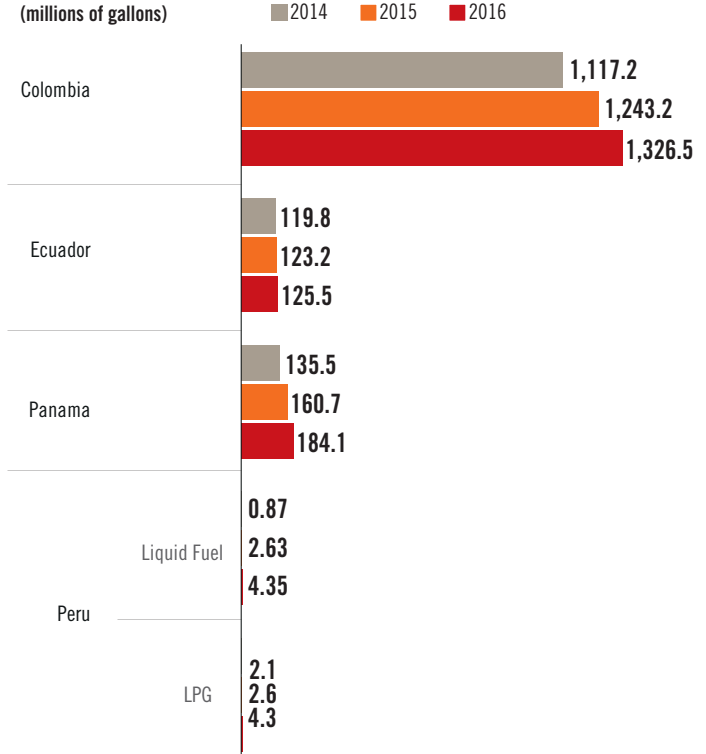
GRI G 4-19 G 4-20 G 4-21 G 4-27

Material Aspect: Profitability

TERPEL SERVICE STATION FIGURES FOR COLOMBIA, ECUADOR, PANAMA AND PERU

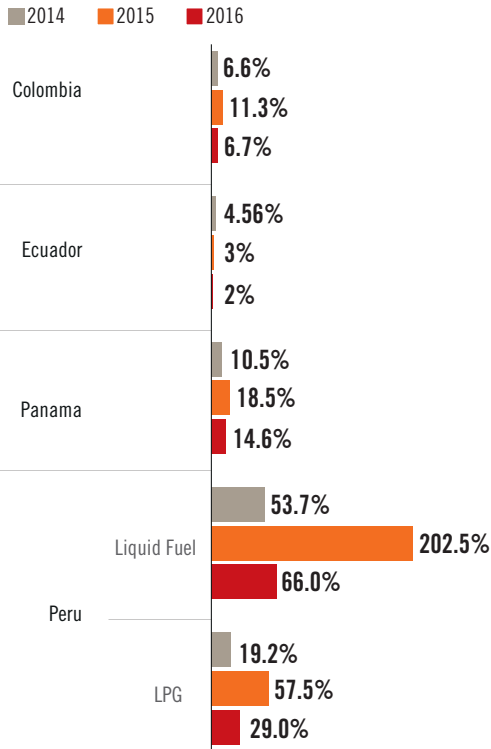
SALES VOLUME

(millions of gallons)



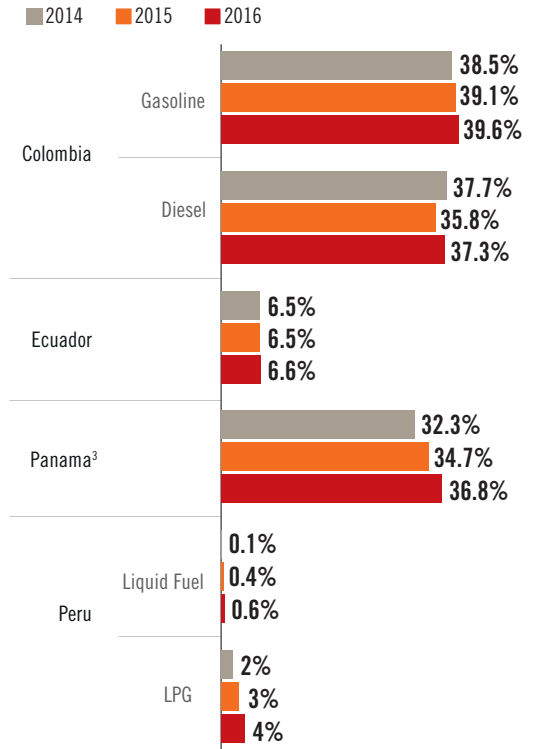
SALES GROWTH

(percentage)



MARKET SHARE

(percentage)



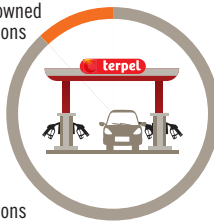
3. Market share in Panama includes the service station network and convenience stores.

In Colombia, Terpel continues Revolutionizing the Service Station Market

Thanks to our affiliates in our Service Station network and Colombians who prefer Terpel, the company is growing in and with the different regions. One of its purposes is to communicate its brand values so that, through its affiliates and franchises, they reach the end consumer.

MORE THAN 1,800 SERVICE STATIONS

224 Terpel-owned service stations
 17 new service stations
 1,652 affiliated service stations
 26 new service stations

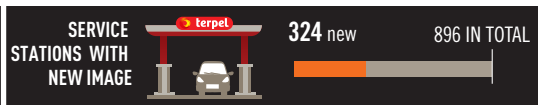
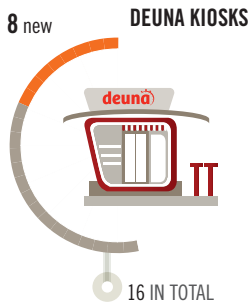
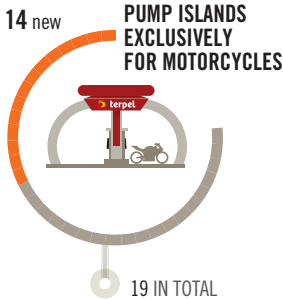


ALTOQUE STORES

11 new



32 in total



*Results of customer satisfaction survey for the industry in 2016, conducted by Brand Strat

GRI 6 4-19 6 4-27

Material Aspect: Accompaniment for affiliates, suppliers, customers, and consumers

Terpel is a Group Project: *Terpel Business Owner Network*

At Terpel we build brand value as a group. Our relationship with affiliates and franchises allows them to generate development for the regions and offer consumers a differentiated service.

The Business Owner Network program helps the owners

of 737 Terpel affiliate service stations work as a team, share technical knowledge and new developments in the industry, receive training, get to know each other and the brand, and strengthen ties with Terpel's partners in the regions.

78 AFFILIATES attended the *Break your Limits* value-based leadership workshop, to develop and coordinate team members.

2 MEETINGS were held to reinforce knowledge of Terpel programs, and answer questions about logistics and operational and business aspects of the relationship with the company.

14 AFFILIATES passed down the management of service stations that have been in the family for years, making the transition to a new generation.

GRI 6 4-19 6 4-27

Material Aspect: Accompaniment for affiliates, suppliers, customers, and consumers

TERPEL PROMOTES TWO-WAY RELATIONSHIPS WITH ITS PARTNERS

7 REGIONAL CONFERENCES with 630 participants representing more than 500 service stations, providing direct contact for partners with providers of programs, agreements, products, and services, in benefit of members of the Business Owner Network.

6 REGIONAL COMMITTEES in Antioquia, Bucaramanga, the north, the west, the savanna, and the South, attended by 120 partners, to give and receive feedback on Terpel's value proposition.

LEADERS IN CONVENIENCE STORES

Terpel was consolidated as the nation's most important network of convenience stores in the service station channel, with a total of 32 Altoque stores in Colombia.

Tienda Terpel, a Platform for Operating with Excellence

Growing 47% over the prior year, this electronic platform established in 2014 offers everything needed to correctly operate a service station. It

includes everything from uniforms to answers to different questions about the operation.

Expansion of the Service Station Franchise Network is a Show of Customer Confidence

Independent businessmen run 140 of Terpel's service station franchises distributed across the nation.

deuna kiosks received the Lápiz de Acero prize in the POP category

This important design award was received for the architectural spaces best promoting products at a point of purchase, taking into account identity, quality, harmony, functionality, and innovation.

Mototribu, a Shared Passion

205 thousand motorcycle drivers have joined this new community created by Terpel for a group of people who identify with a certain lifestyle.

**FUEL PAYMENTS
JUST A CLICK AWAY
WITH YOUR
CELL PHONE**

With *PagoClick*, customers need only have a smartphone, an active data plan and a credit card to access this new, speedy, and safe form of payment.

Ziclos Motos,

**THE FIRST OF ITS TYPE
IN LATIN AMERICA**

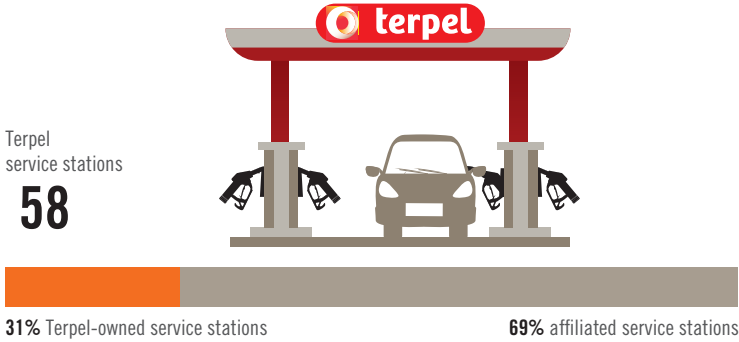
Terpel launched this innovative format for an automated motorcycle wash in Cali and Pereira.

In Ecuador, Súper Terplus provides more Benefits for Customers

Terpel Ecuador launched the gasoline with additives called Súper Terplus across its entire network of service stations in the country's main cities. This fuel is characterized by its detergent and anti-friction

qualities, producing a cleaner engine, better carburation, and thereby cleaner emissions into the environment. To promote the sale of this new product, the company organized a lottery called *Super Lucky Fill*

Up to give away 3 brand new vehicles to its customers. Sales of the Súper Terplus gasoline went up 6% over the same period the immediately prior year.



TERPEL
 commemorated
 10 years serving
 ecuadorians



In Panama, Terpel Service Stations Transform the Market

The company made progress building and operating the largest, most comfortable, and best-lit service stations. It improved the format of its stores and the infrastructure of restrooms and other areas, benefiting and satisfying the needs of people traveling the highways of Panama. These changes have made Terpel a benchmark for high standards in the country, positioning it as the leading brand in the mind of the consumer, and has stimulated a growth in sales of almost 15%. In 2016 a total of 69 service stations switched to the new corporate image.

VA&VEN CONVENIENCE STORE WON MAGNO PRIZE

The Terpel *Va&Ven Travel Center Colón* store located on the Alberto Motta Cardoze highway in Panama not only offers the conveniences the customer wants, but also has exemplary infrastructure of award-winning excellence. This made it worthy of the *Magno Prize in the Concurso Mejor Obra de Arquitectura* (Best Architectural Work Contest) in the Commercial 3A category for the team of designers and architects, and recognition for the people who participated on the team to design, execute, administer, and inspect the work.

The Operational Efficiency Project

The company developed the *Terpel Operational Efficiency Project* to improve operating conditions by identifying and implementing plans for improvement that will help deal with new challenges as the business grows. With a

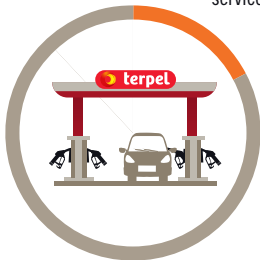
team of 50 people, including process and functional leaders, consultants, and other personnel in Colombia, improvements were made to aspects such as procurement, budget administration, and order flow.

FIND OUT
 where Terpel service stations are located in Panama. Look for us on the giant screens and in the travel guide.

127
 Terpel-owned service stations

83%
 Terpel-owned service stations

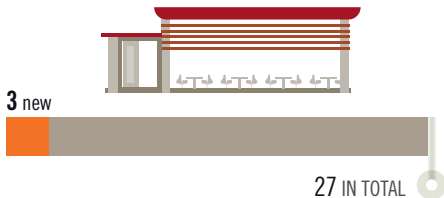
17%
 affiliated service stations



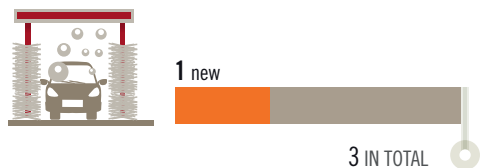
12
 new service stations for liquid fuel



VA&VEN STORES



WASH AND GO CAR WASHES



In Peru, Terpel increased sales of liquid fuels by 66%

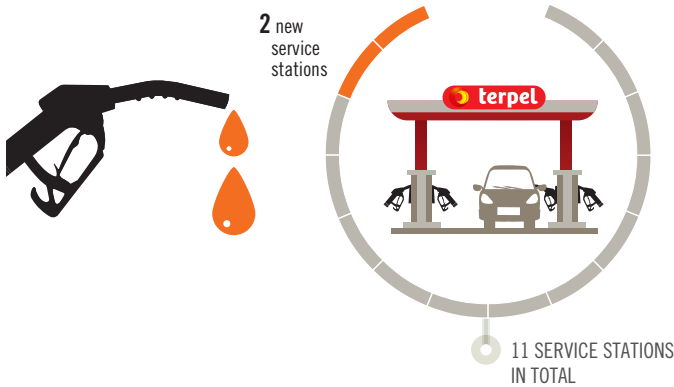
the company improved its negotiating strategy with suppliers for purchasing products. This enabled it to offer better sales terms, thereby attracting a

greater number of fleet clients. It also worked hard to offer competitive prices in its service station network, allowing it to gain a greater sales volume.

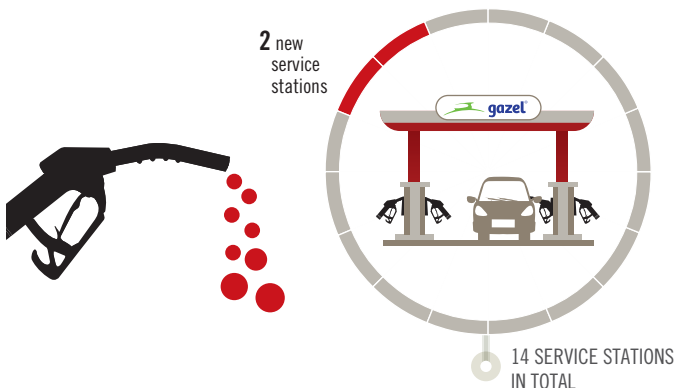
MOTIVATING GOOD SERVICE

The company extended the coverage of its *PITS* program to convenience store personnel. The program recognizes service, hard work, leadership, commitment, and innovation on the part of pump island attendants and administrators, redounding in better service, lower personnel turnover, and sales growth.

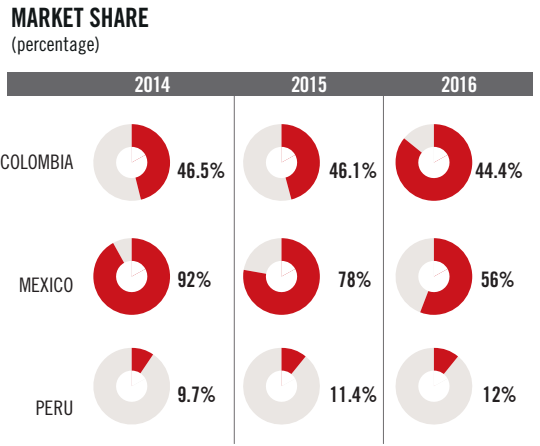
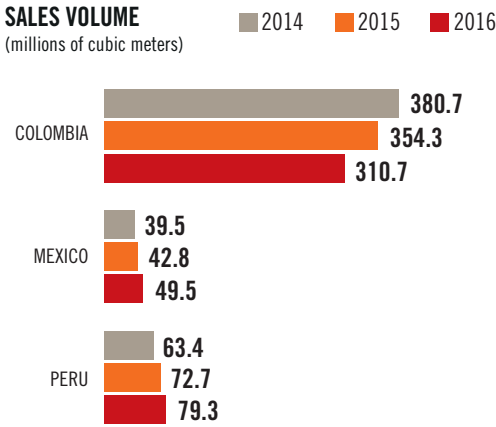
SERVICE STATIONS FOR LIQUID FUEL



SERVICE STATIONS FOR LIQUEFIED PETROLEUM GAS (LPG)



Terpel's NGV Fuel figures for Colombia, Mexico and Peru



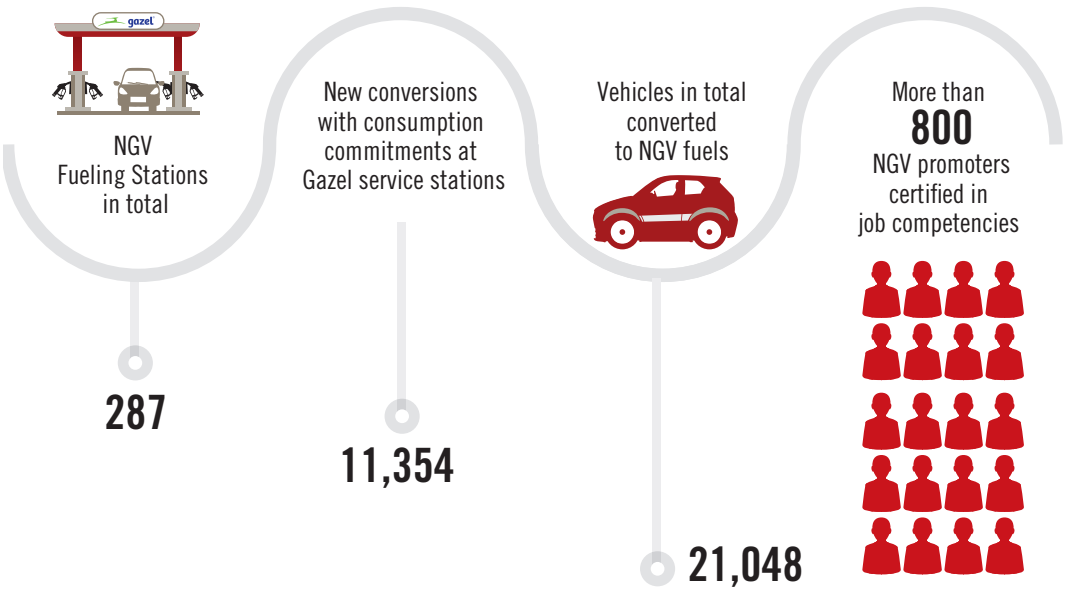
In Colombia, Terpel Plays an Important Role in Developing and Maturing the NGV Fuels Sector

Terpel Facilitated the Conversion of Vehicles to LPG Autogas

The engineering team received training to strengthen their technical abilities and become multipliers of the process to convert vehicles to LPG Autogas in Colombia.

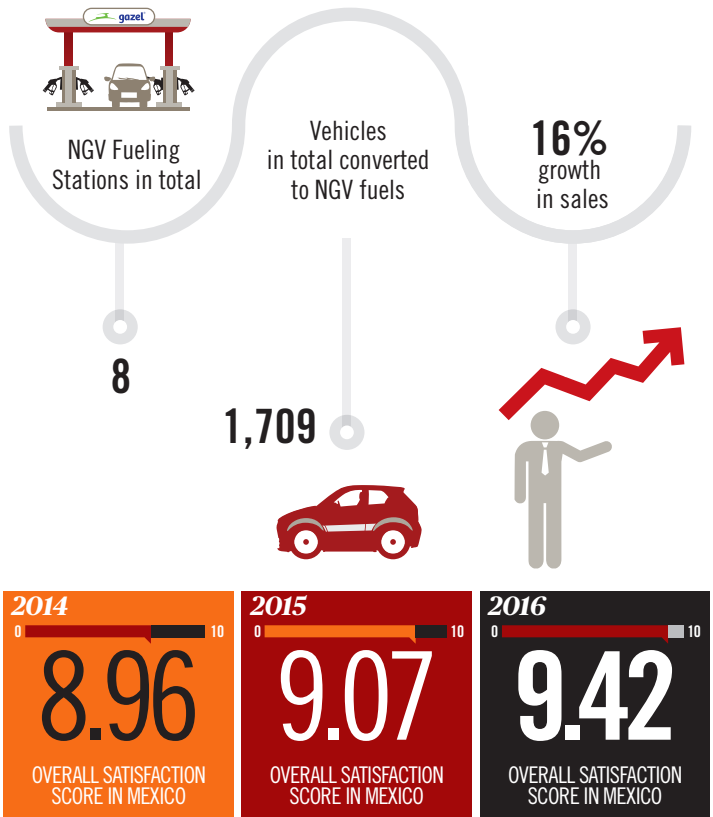
TUPAL AND TRANSCRIBE, BUSINESS PARTNERS IN NGV FUELS

The NGV Fuels business expanded its coverage of mass transportation thanks to the start of operations of the Tupal Transporte Unificado de Palmira project in the Valle del Cauca, with a total of 40 NGV buses. In addition, the Transcribe operation in Cartagena was consolidated with the operation of 140 buses – of a total of 650 – reaching monthly sales of 500 thousand m³ by its first anniversary.



In Mexico, Gazel sets a Benchmark for the NGV Industry

The NGV business has grown in Mexico thanks to Gazel's positioning as an expert in the natural gas vehicle fuel industry, and thanks to the maturity of the existing service stations. Year-over-year, the company works hard to stay on the vanguard in its knowledge of this sector. So much so, that it now leads the NGV chapters in the Mexican Natural Gas and Energy Association and the Mexican Employers' Confederation (Coparmex). This business organization brings together around 600 companies in the Federal District as it seeks to help establish the right conditions for making Mexicans prosperous, and actively participates in press and industry conferences.



NEIGHBORING COMMUNITIES PARTNER WITH THE BUSINESS

New projects strengthen relationships with communities near the operations, as well as their knowledge. Knowing that, the company Gazel Mexico

organized outreaches and formal meetings in 2016 with the community in the State of Jalisco to share information about the San Pedro service station

construction project. As a result of these meetings, a lot was donated to the community, which will be used in benefit of the inhabitants.

In Peru, PITS Program creates Incentives for Service Station Personnel

Up and running for the last 8 years in this country, the PITS program rewards 3 administrators each year and 1 service

representative from each station, along with convenience store personnel, for good performance in sales, service, and image.

MORE BENEFITS FOR MEMBERS OF THE GAZEL CLUB

Through this program that has now increased the benefits for members, the company gained 25% more loyal customers compared to the year 2015. This was reflected in the figure of 81% customer satisfaction for its members, increasing a point over the previous year.

7.690

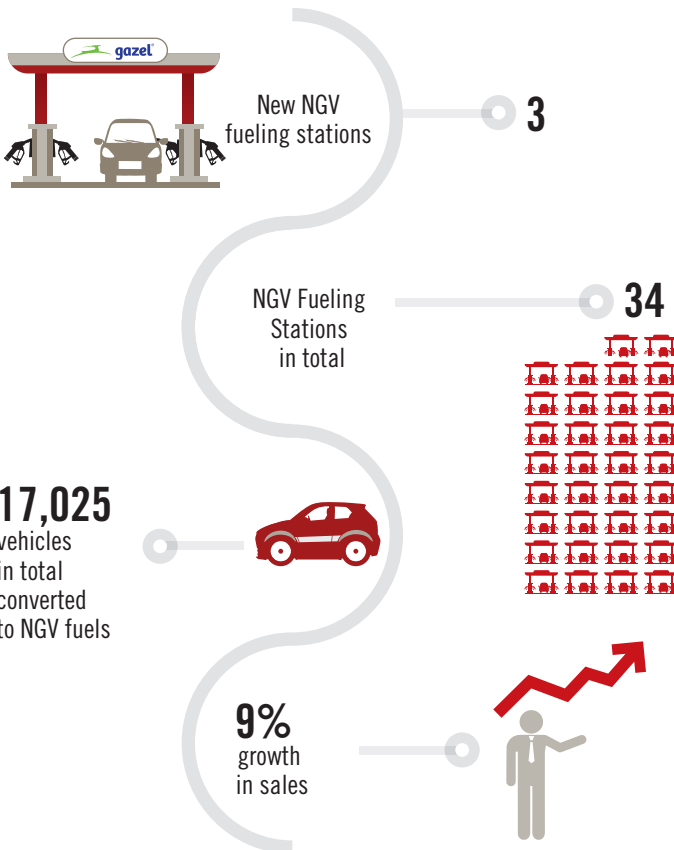
MEMBERS REDEEMED PRIZES

23.052

PRIZES REDEEMED

56.651

CUSTOMERS TOOK OUT HEALTH INSURANCE



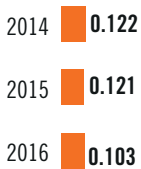
Lubricants with Latest-generation, World-class Technology in Colombia, Ecuador and Panama

SALES VOLUME (millions of gallons)

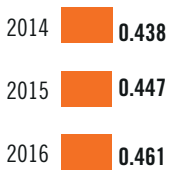
COLOMBIA



ECUADOR



PANAMA



In Colombia, Terpel Stands Out in the Market

“
We wanted to offer customers a synthetic lubricant that optimizes the performance of four-stroke motorcycle engines. A lubricant that makes the engine last longer and decreases emissions into the environment was our main objective.”

JUAN PABLO GIRALDO,
VP OF LUBRICANTS AT TERPEL.

TERPEL CELERITY RECEIVED A PATENT FROM THE SUPERINTENDENCE OF INDUSTRY AND COMMERCE (SIC)

After several years of research by the Terpel Lubricants Innovation and Development team, the SIC awarded Terpel a patent for the invention called

Synthetic lubricant composition that permits better engine performance, Terpel Celerity 10W40, for four-stroke motorcycle engines.

4. Includes exports.

RECOGNITION OF OPERATIONAL EXCELLENCE

Terpel's outstanding performance in the supply of lubricants and in its fuel and lubricant storage and distribution operation made it worthy of receiving the *Carrejón Giants Award* for its work during the first year of its contract with Carbones del Carrejón.

Terpel Lubricants Evolving

The re-certification of the Integrated Management System, ISO 9001, 14001, OSHAS 18001, NORSOK, the 30 products re-certified with Icontec Quality, the Quality Control Lab accredited by Colombian National Accreditation

Organization in line with the NTC SIO/IEC 17025 standard, and the standardization of products by engine manufacturers (OEMs) all demonstrate Terpel's technological advances and commitment to quality.

TERPEL PRESENTED its new product *Terpel Maxter 15W40 Avanzado* with **API CK-4** certification from the American Petroleum Institute (API). It's a specialized product for the latest-generation diesel engines that promises to stay on the vanguard by meeting the highest international quality standards and environmental specifications.

GRI [6.4-19](#) [6.4-27](#)

Material Aspect: Accompaniment for affiliates, suppliers, customers, and consumers

Tesos Program Continues Increasing Loyalty

More than 1,800 active Tesos members in this loyalty program demonstrate Terpel's strong ties with its pump island attendants, attendants who change oil, mechanics, and store personnel who recommend its lubricants. The program closed the year with 1,125 points of sale operating Tesos, impacting 8,732 Tesos members across the country.

700

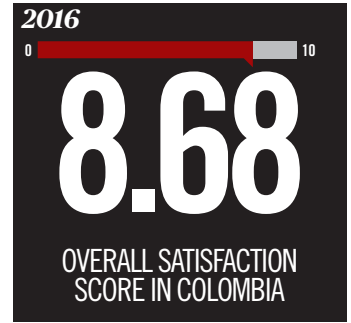
Tesos members in nine cities across the country were trained in leadership, meeting goals, and empowerment, through a talk called "*View from the Goal*" by soccer player Faryd Mondragón.

MASTERLUB CLOSER TO COLOMBIANS

The new format for *MasterLub Motos* lubrication centers entered into operation in the city of Neiva. This is a site at Terpel service stations exclusively for motorcycles. It specializes in changing motorcycle lubricant, leading to a pleasant experience with an expert service professional. In total Colombia has 3 *MasterLub* lubrication centers.

MORE THAN
7,200
 POINTS OF SALE FOR TERPEL LUBRICANTS
 IN COLOMBIA

120
 INDUSTRIAL CUSTOMERS FOR LUBRICANTS



GRI [G 4-19](#) [G 4-27](#)

Material Aspect: Accompaniment for affiliates, suppliers, customers, and consumers

In Ecuador, Terpel Trained Lubricant Customers

Ten hours of talks on automotive mechanics given to 112 lubricants customers taught them about the advantages of the brand and increased sales

to 1,371 gallons. The customers gained better knowledge of the differentiated lubricants and their characteristics.

THERE ARE

442
 POINTS OF SALE FOR TERPEL
 LUBRICANTS IN ECUADOR.

79
 POINTS OF SALE FOR TERPEL
 LUBRICANTS IN PANAMA

In Panama, Changes in the Lubricants Business

The Terpel lubricants business grew 4% in Panama's market, an indicator influenced by the projected

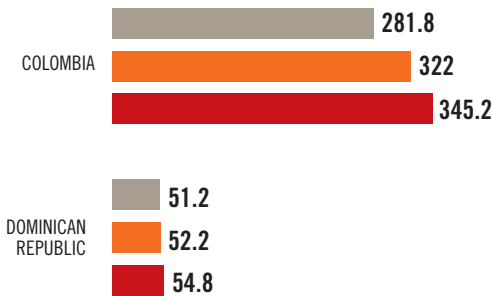
change from the Accell brand to the Terpel brand, which according to an IPSOS survey is the #1 brand in Panama.

Aviation Business holds Leadership in a Major way in Colombia and the Dominican Republic

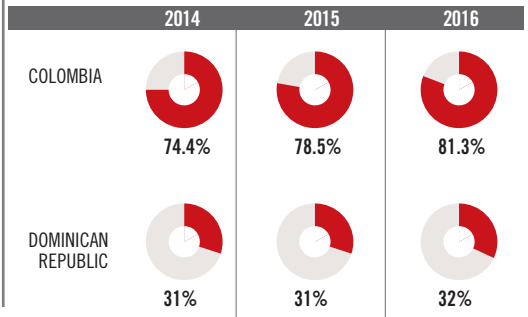


SALES VOLUME
(millions of gallons)

■ 2014 ■ 2015 ■ 2016



MARKET SHARE
(percentage)



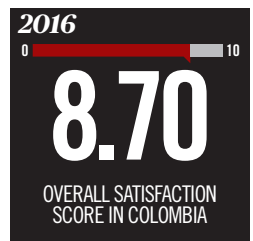
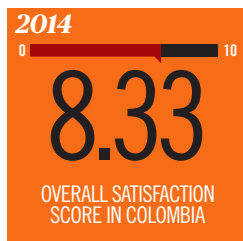
In Colombia, the Aviation Business continues to Spread its Wings

Terpel sold 345 million gallons of aviation fuel, winning an 81.3% share of the market. It put

initiatives into motion such as the expansion of its operation at the Jorge Enrique González

Airport in San José del Guaviare; specialized electronic invoicing for aviation, XML, in line with the IATA model; and the implementation of the Joint Inspection Group (JIG's) international standards for processes and infrastructure. It also obtained ISO 9001, 14001, 18001 and Norsok re-certification in all the airports of the country.

TERPEL served 21 airports around the nation.



GRI 4-22

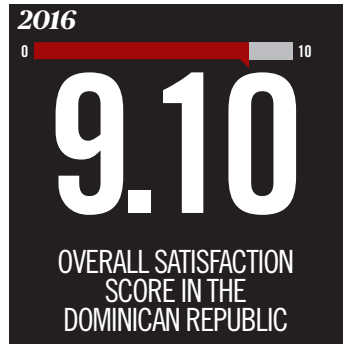
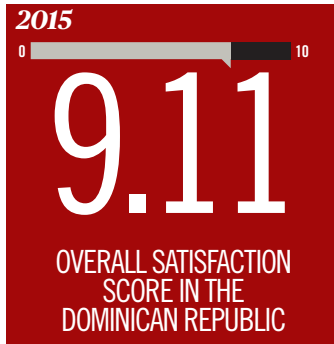
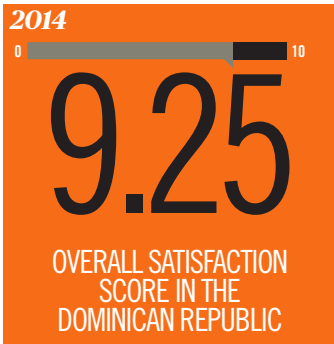
5. Due to an internal revision of the formula, the figures for 2014 and 2015 changed.

In the Dominican Republic, Terpel Celebrates its Fifth Anniversary

Proud of its contribution to the growth of aeronautics and its service to that industry, Terpel celebrated its fifth year of operations in the Dominican Republic. The consolidation of the

business is reflected in the 7% growth in sales, a figure that exceeded the volume sold in prior years and positions the aviation business in this country with a third of the market share.

TERPEL currently operates five airports, effectively responding in 2016 to a 22% growth in consumption in the Puerto Plata Airport.



Terpel also Transports Marine Fuel in Colombia and Panama

SALES VOLUME
(millions of gallons)

■ 2014 ■ 2015 ■ 2016



IN COLOMBIA, Terpel moved 7.4 million gallons of marine fuel for cargo ships and barges in 6 ports and 16 marine terminals, serving 107 international marine diesel customers.

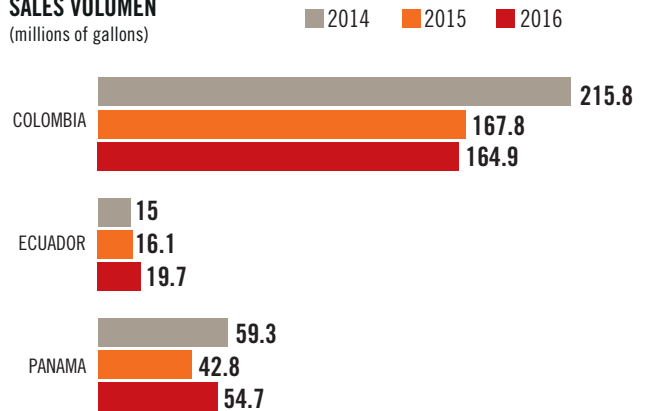


IN PANAMA, Terpel grew 12% over 2015 in the number of international marine diesel customers served at the 6 marine terminals and 26 ports served by Terpel in this country.

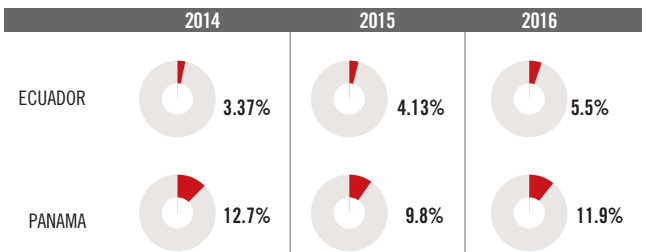
Industries in Colombia, Ecuador, and Panama continue to Rely on Terpel



SALES VOLUMEN (millions of gallons)



MARKET SHARE (percentage)



GRI G 4-19 G 4-27

Material Aspect: Accompaniment for affiliates, suppliers, customers, and consumers

In Colombia, Terpel keeps offering Value Added

INITIATIVES SUCH AS *My*

Business that serves 39 customers at 235 service stations around the nation, the Driving Tools Diploma awarded to 225 drivers, the Self-management Model implemented by 102 customers, and the Web Management Tool delivered to 835 customers are some of the strategies implemented by *Rumbo Terpel* for its customers as value added.

403 LIQUID FUEL CUSTOMERS

and 2 NGV fuel customers received the fuel supply service at their facilities, making the operation safer and quicker.

8.4

SATISFACTION FOR CUSTOMERS IN THE PROGRAM *RUMBO TERPEL*.

528

LIQUID FUEL SERVICE STATIONS AND 279 NGV FUELING STATIONS ARE INTERCONNECTED IN THE PROGRAM.

AT THE INDUSTRY SCHOOL,

385 people were trained in the field, through 62 sessions that strengthened their knowledge of fuel handling to guarantee safer processes and preventive environmental actions.

2014



7.95

OVERALL SATISFACTION
SCORE IN COLOMBIA

2015



8.60

OVERALL SATISFACTION
SCORE IN COLOMBIA

2016



8.80

OVERALL SATISFACTION
SCORE IN COLOMBIA

In Ecuador, the Industry Business Grew

While sales contracted in Ecuador for the industrial market, Terpel's industry business grew 22% compared to 2015. These results are the fruit of constant effort to offer customers differentiated services and products

that meet their specific needs and generate confidence in the operation. As part of these good results, during 2016 the company signed two contracts that strengthened the growth of the business. One was to supply

250,000 gallons of fuel per month on consignment to the company Cervecería Nacional de Ecuador, and the other was a commercial agreement to provide 220,000 gallons per month to the shrimp producer Omarsa.

In Panama, Negotiations of Great Significance Strengthen Terpel's Work

The industry business developed projects with diverse players in the industrial sector, strengthening its business and operations: Proyecto Minera de Panama, one of the largest copper mines in the world; bunkering operations for 2 thermal power plants for the Santiago-David highway expansion; and the sale of fuel to the second metro line project in Panama City.

CONNECT WITH TERPEL USING OUR SOCIAL MEDIA



Twitter (@TERPELCOLOMBIA)
more than 11,400 followers
at the close of 2016



Facebook (/TERPELCOLOMBIA)
almost 66,000 followers
at the close of 2016

CHALLENGES 2017

Colombia

Service Stations

- ▶ Continue implementing the new image, increasing the transformation of stations by 38%.
- ▶ Increase the restrooms remodeled by 10%.
- ▶ Continue consolidating the *Ziclos* automated car washes for cars and motorcycles, taking the experience to new cities.
- ▶ Expand the format of pump islands exclusively for motorcycles to every region of the country, at 69 service stations.
- ▶ Expand the network of Altoque stores into new regions of the country.
- ▶ Consolidate the *PagoClick* system to provide a memorable experience for consumers.

Industry

- ▶ Increase coverage of service station interconnection to 80 points, to give *Rumbo Terpel* and *My Business* customers new options.
- ▶ Implement a digital strategy to expedite processes for the *Rumbo Terpel* segment and provide a tool for the customer loyalty program.
- ▶ Consolidate the *My Business* program across the nation.

Lubricants

- ▶ Strengthen the network of lubrication centers to offer the best products and best service to customers.

Aviation

- ▶ Certify the aviation business under the new version of ISO (9001, 14001, 18001) and Norsok.
- ▶ Develop the VOL-ARTE tool for support to operations in Colombia's airports.

Transparency

GRI 6 4-19 6 4-20 6 4-21 6 4-27

Material Aspect:
Good Corporate Governance and
Transparency

GOOD CORPORATE GOVERNANCE



What is Terpel's Commitment to Good Corporate Governance?

We are committed to protecting shareholders' rights and interests. The principles of respect, integrity, and trust, and the highest international standards and best practices orient every engagement with different stakeholders and governing bodies, as we control the creation of value, and guarantee fair and equal treatment for the exercise of the rights of all our shareholders. We define

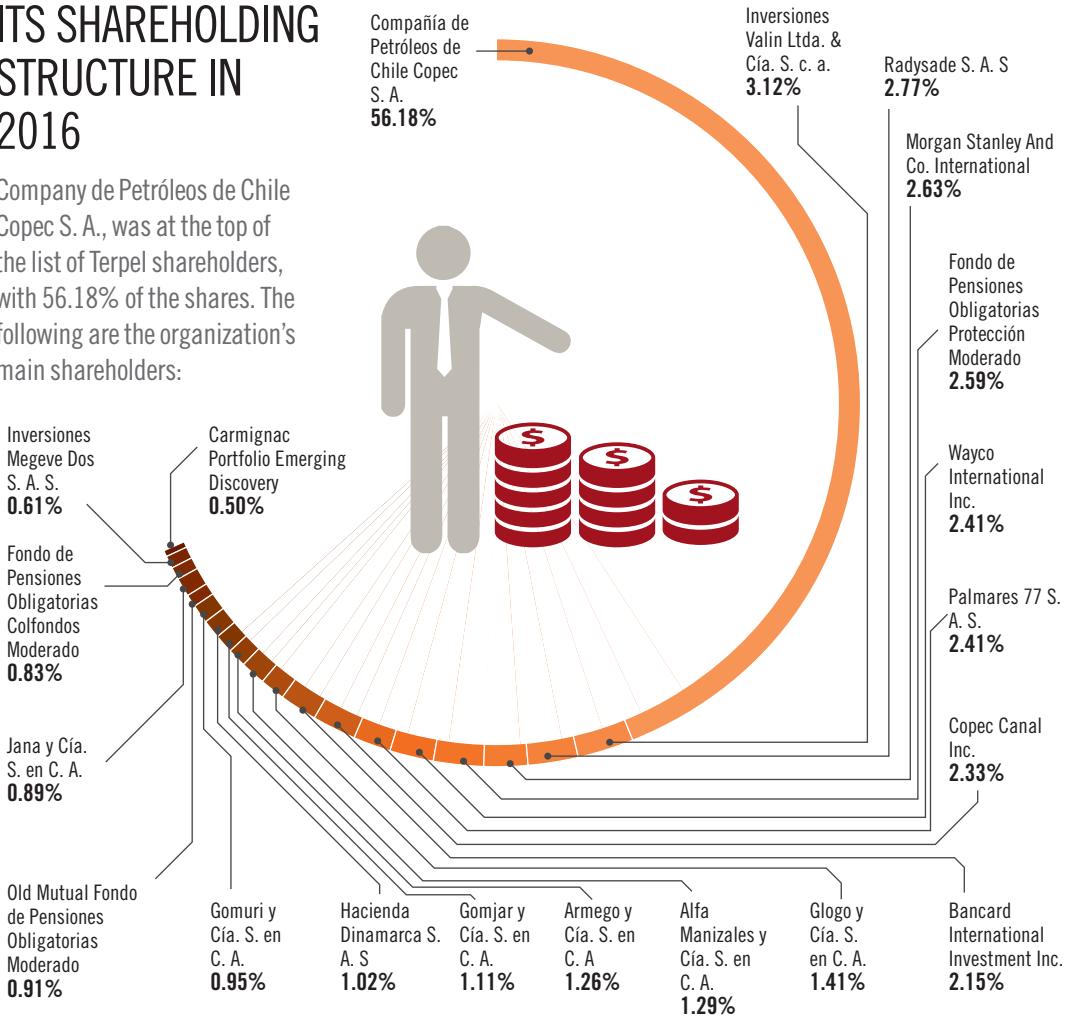
clear and transparent rules that are known to the public regarding the functioning of the Shareholders Assembly, the Board of Directors, and other administrative and supervisory bodies. We provide an architecture that identifies and manages the company's different risks, and deliver timely, high-quality, balanced, and transparent information.

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

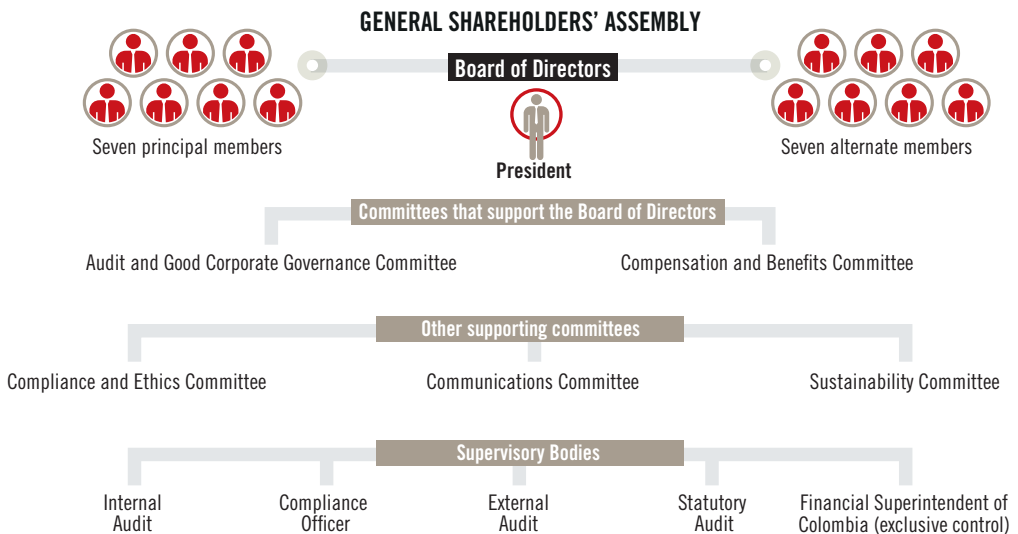
TERPEL PRESENTS ITS SHAREHOLDING STRUCTURE IN 2016

Company de Petróleos de Chile Copec S. A., was at the top of the list of Terpel shareholders, with 56.18% of the shares. The following are the organization's main shareholders:

SHAREHOLDING STRUCTURE



LEARN ABOUT TERPEL'S GOVERNANCE STRUCTURE



Terpel's Board of Directors is an Example of Best Practices

In accordance with Terpel's legal obligations as an issuer of securities, 25% of the members of the Board of Directors are certified as independent. In addition, all of the independent members of the Board of Directors make up the Audit Committee, a collegial body presided over by a member who is legally independent.

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

GRI 6 4-19 6 4-27

Material Aspect: Good Corporate Governance and Transparency

Self-regulation for Safe Investments

Terpel's diverse bodies and mechanisms for good corporate governance guarantee the safety of the operations and safeguard proper management of resources for its investors and other stakeholders. The company's codes, regulations, and policies express its main values, standards, and norms for behavior:

Global Compact Principles 10

- Corporate bylaws
- Code of Good Corporate Governance⁷
- Regulations for the General Shareholders' Meeting, the Board of Directors, the Audit, Risks, and Good Corporate Governance Commit-

tees, and the Compensation and Benefits Committee

- Code of Conduct⁸
- 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
- Confidential Whistleblowing Line: <https://www.reportes-confidencialessterpel.com/>
- Report on Best Corporate Practices, Country Code Survey⁹

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

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

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



TERPEL TRAINED ITS TEAM ON THE PREVENTION OF ASSET LAUNDERING AND ANTI-BRIBERY PRACTICES

[Global Compact Principles 10](#)

The company provided training to 86% of its employees on topics related to compliance, asset laundering and anti-bribery with the objective of preventing actions counter to the company's values and detriment to its assets.

Terpel is Recognized for Commitment to and Best Practices with Investors

For the fourth consecutive year, the Colombian Securities Exchange awarded Terpel the IR (Investor Relations) award, recognizing its outstanding performance in terms of trans-

parent, timely, and accurate publication of its legal, financial, and business information for investors to make informed decisions.

[Global Compact Principles 10](#)

Operations Assessed for Risks related to Corruption

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

OPERATIONS ASSESSED FOR RISK OF CORRUPTION	2014	2015	2016
Service Stations	0	0	0
Plants	4	3	1
Regional Offices	5	5	5
Main Office	1	1	1

Merco Index testifies to Terpel's Good Reputation

The corporate reputation monitor Merco Empresas y Líderes 2016 recognized Terpel and its President Sylvia Escovar as being one of the top 20 companies and leaders with the best reputation in the nation. The company rose 8 positions high-

er on the list than in the year 2015, and also rose to second place in the sector ranking for oil and hydrocarbon distribution companies.

The index included in its assessment the variables of quality of the commercial offer, internal

reputation, corporate ethics, social responsibility, and the economic and financial results of the participating companies. In 2016, it added the variable of efficacy and innovation in digital communication, ethics-honesty, and transparency.

TERPEL RECOGNIZED AS BEING A STABLE AND SUSTAINABLE INVESTMENT

The ratings agency *Fitch Ratings* gave Terpel an "AAA" based on a risk profile characterized by the stability of its operations and by being a safe and sustainable investment.

CHALLENGES 2017

- ▶ Standardize, implement, and disseminate the program for the prevention of bribery and corruption at Terpel and in its business group.
- ▶ Develop a policy to fight transnational bribery, and a risk matrix in this area.
- ▶ Maintain the IR Recognition.

Leadership

GRI 6 4-19 6 4-20 6 4-21 6 4-27

Material Aspect:

- Fair Labor Relations and Conditions
- Safe Operating Conditions

GROWTH OF THE TERPEL TEAM



What is Terpel's Commitment to Growth of the Team?

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

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

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

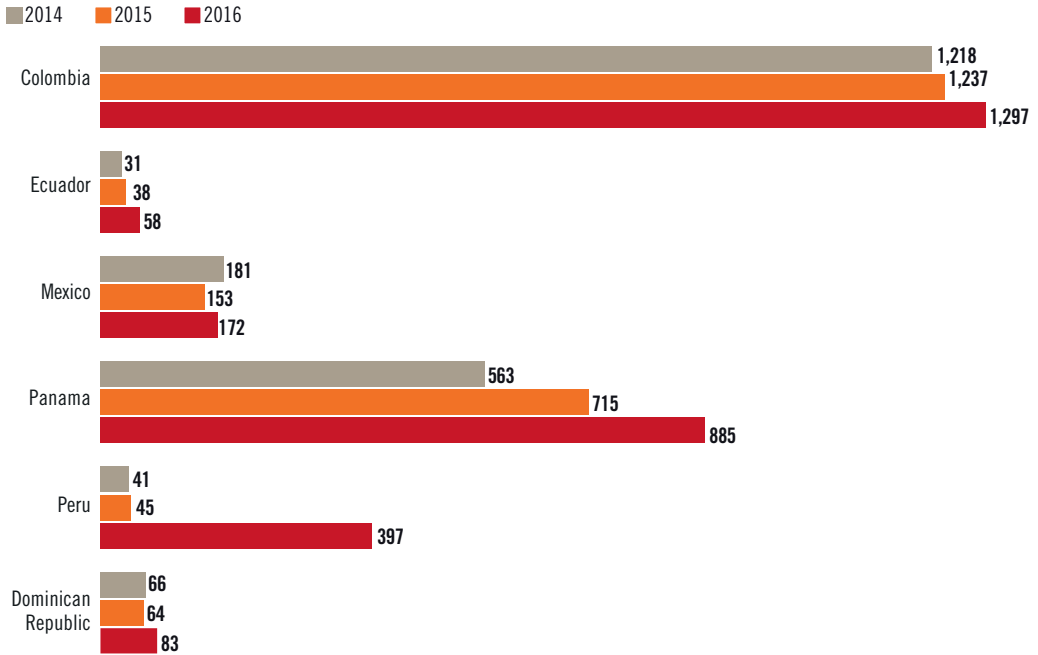
Employment Statistics at Terpel

The following figures are framed within what the company believes to be decent work, rejecting all types of

discrimination based on gender, race, political orientation, or religious beliefs, always procuring to provide optimum

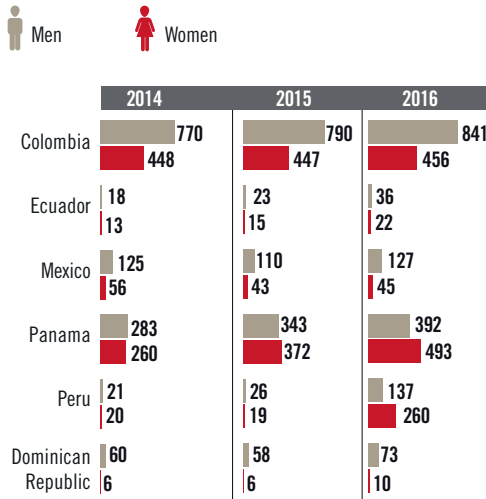
conditions for quality of life and the well-being of its employees.

NUMBER OF DIRECT EMPLOYEES

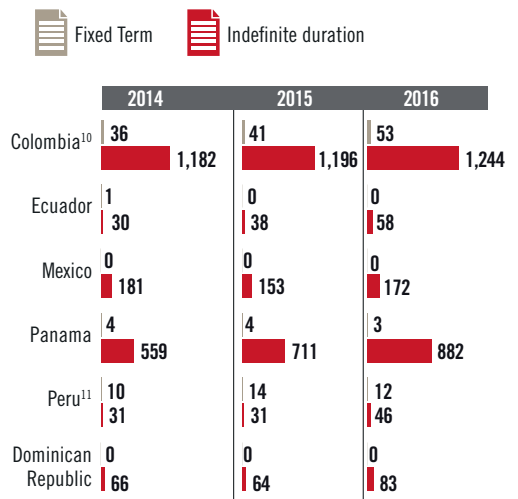


NUMBER OF DIRECT EMPLOYEES

By country and gender



By type of contract and country

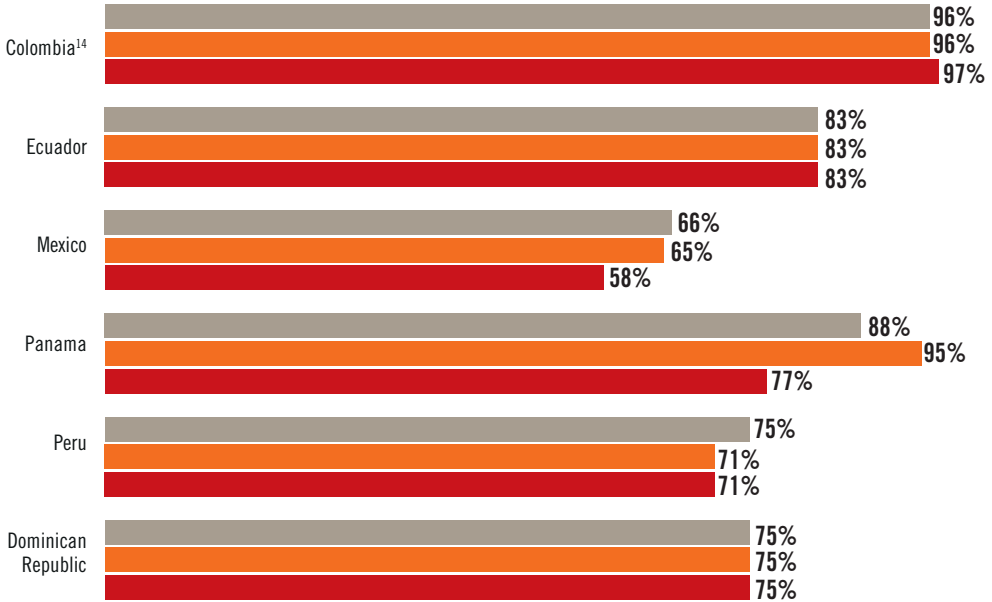


10. In this report, information on Colombia refers to occupied positions, not including vacancies not filled. Does not include expatriate employees, employees of the Terpel Foundation, employees of commercial partners such as OPESE, franchises, interns, or temporary workers.

11. In 2016, Peru used a fixed-term contract with 339 employees.

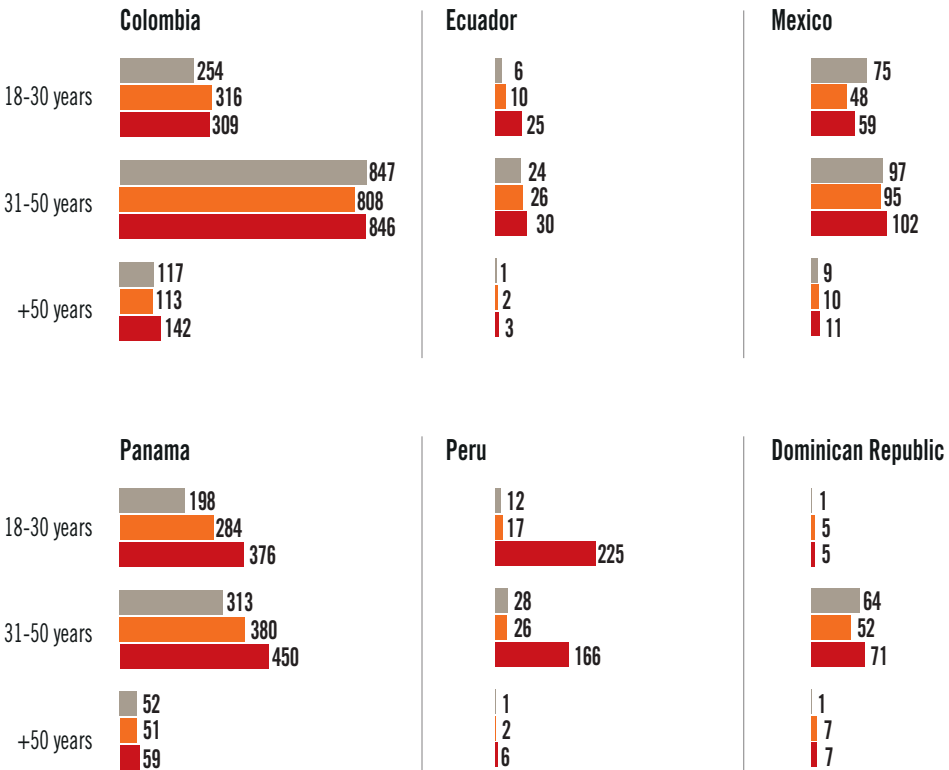
PERCENTAGE OF SENIOR MANAGEMENT OF LOCAL¹² ORIGIN BY COUNTRY¹³

■ 2014 ■ 2015 ■ 2016



EMPLOYEE DISTRIBUTION ACCORDING TO AGE RANGE (NUMBER OF PEOPLE)

■ 2014 ■ 2015 ■ 2016



12. Born in the countries where Terpel operates.

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

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

EMPLOYEE DISTRIBUTION BY POSITION (NUMBER OF PEOPLE)

■ 2014 ■ 2015 ■ 2016

Colombia

Managers: President,
Vice President and Managers



Executives: Directors



Professionals: Heads and Analysts



Other positions:
Technicians and Operators



Ecuador



Mexico



Panama

Managers: President,
Vice President and Managers



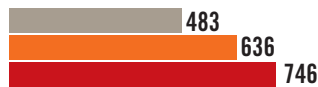
Executives: Directors



Professionals: Heads and Analysts



Other positions:
Technicians and Operators



Peru

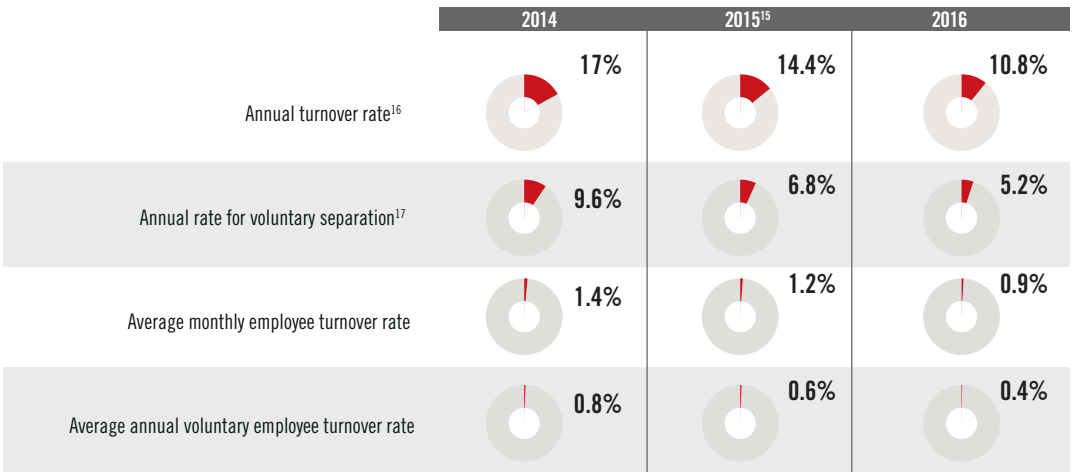
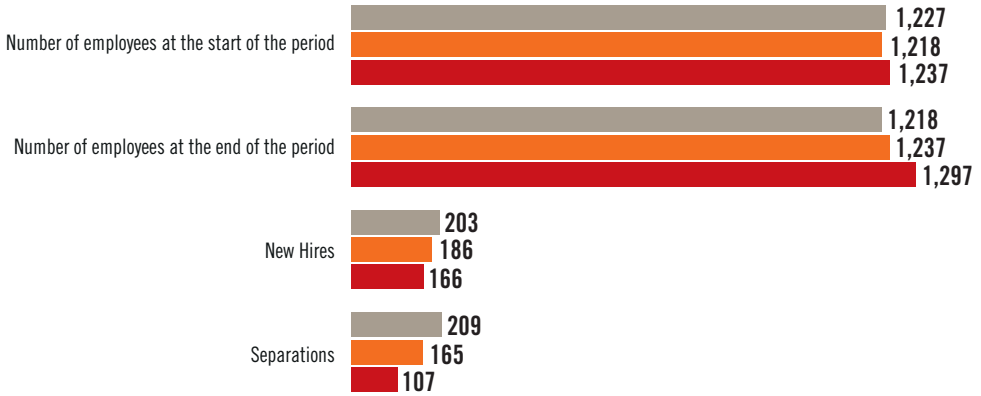


Dominican Republic



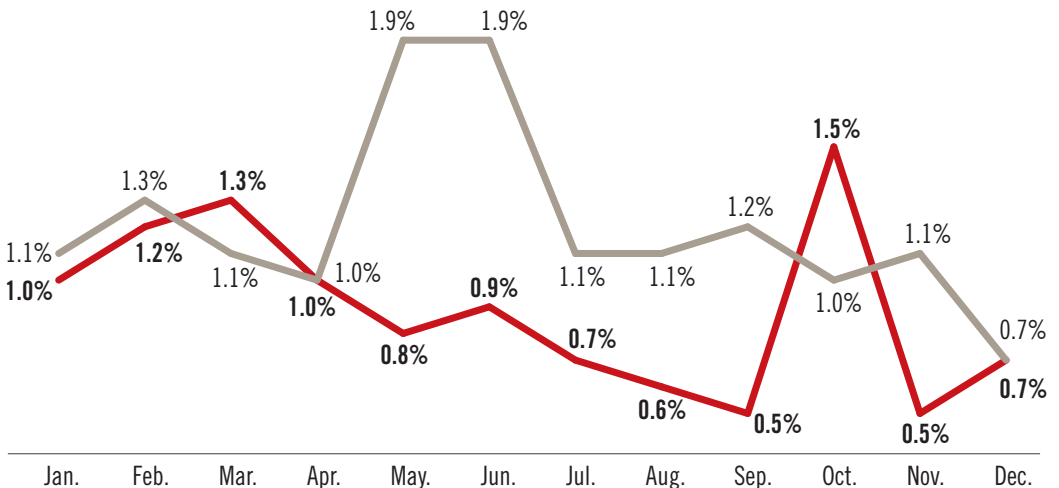
HIRING AND RETENTION RATE

■ 2014 ■ 2015 ■ 2016



MONTHLY TURNOVER RATE

— 2015 — 2016



15. Incluye empleados directos de Terpel, sin OPESE.

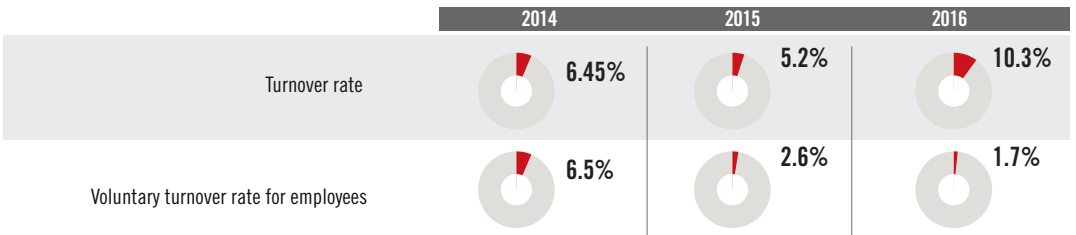
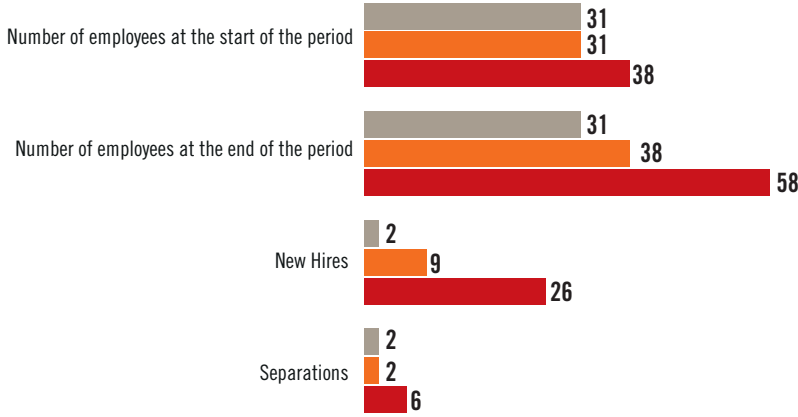
16. Tasa anual de rotación: promedio ingresos + retiros / promedio de planta al inicio del periodo + planta al final del periodo X 100.

17. Índice anual de rotación voluntaria: Retiros voluntarios en el año / la planta promedio del año X 100.

ANNUAL TURNOVER RATE

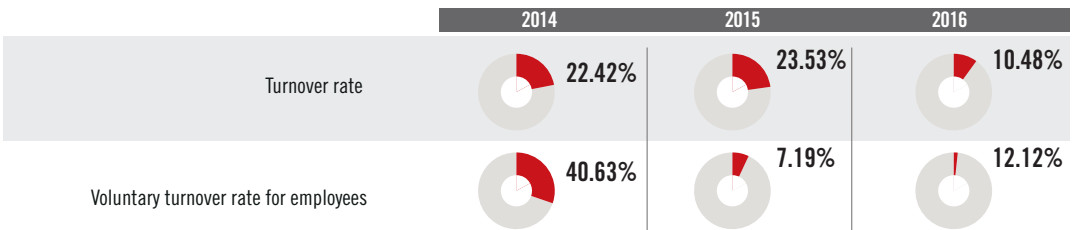
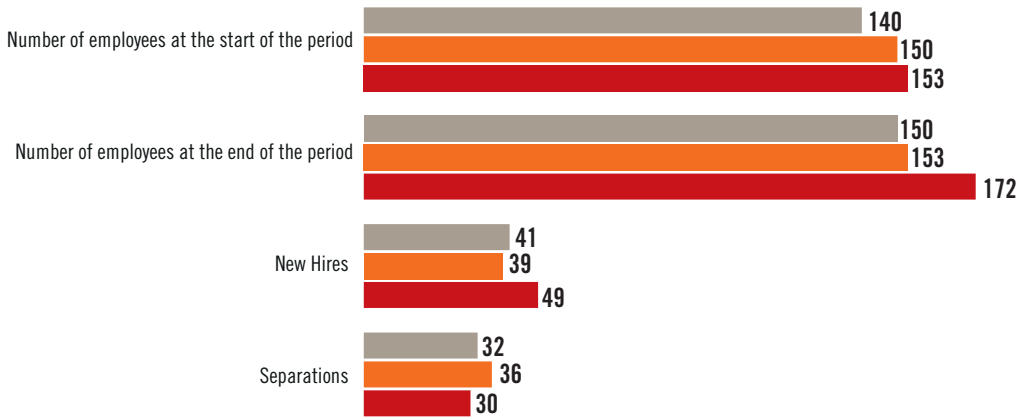
■ 2014 ■ 2015 ■ 2016

Ecuador



■ 2014 ■ 2015 ■ 2016

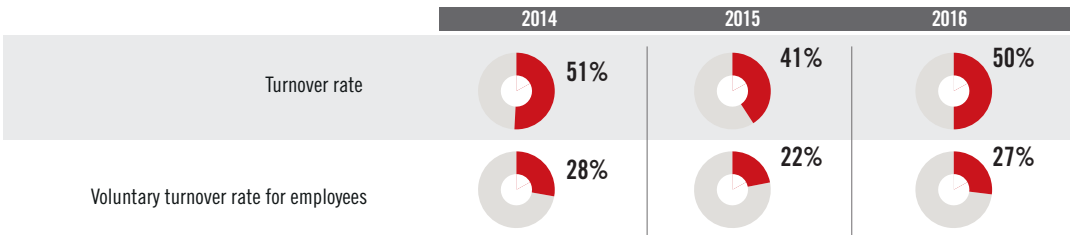
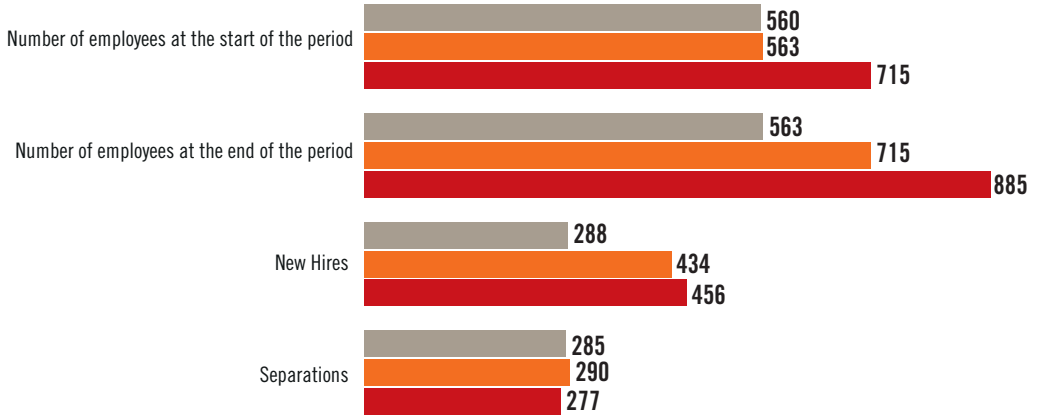
Mexico



ANNUAL TURNOVER RATE

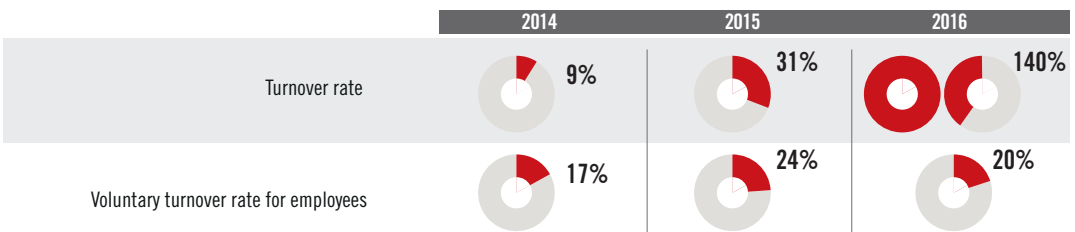
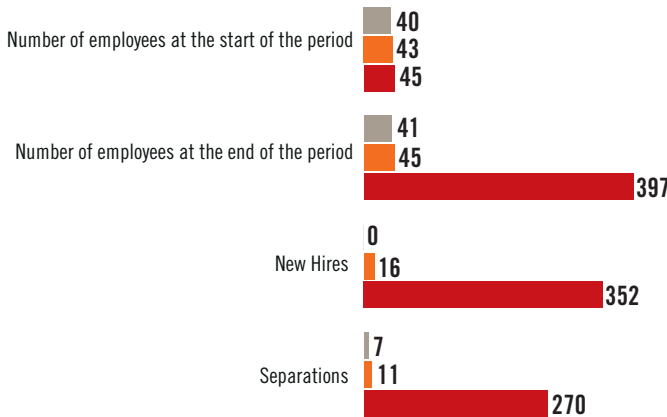
■ 2014 ■ 2015 ■ 2016

Panama



■ 2014 ■ 2015 ■ 2016

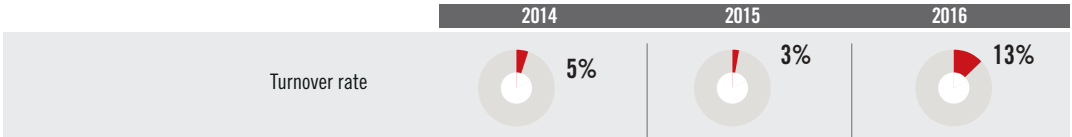
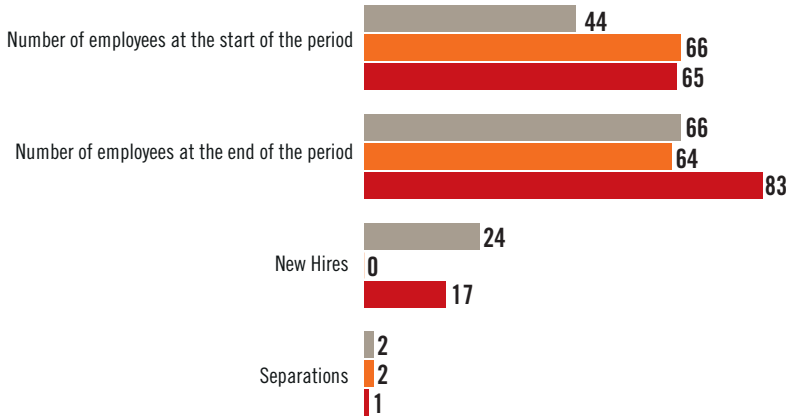
Peru



ANNUAL TURNOVER RATE

■ 2014 ■ 2015 ■ 2016

Dominican Republic



SEPARATIONS BY CAUSE

■ 2014 ■ 2015 ■ 2016














	Colombia	Ecuador	Mexico	Panama	Peru	Dominican Republic
Dismissal		0 1 3			60	
Mutual agreement	57 31 3	0 0 0	5 4 3	46 22 20	0 1 2	1 0 1
Resignation	115 84 66	2 1 1	13 11 20	155 153 154	2 6 82	1 1 1
Retirement	2 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0
Death	1 1 0	0 0 0	1 1 0	0 0 2	0 0 0	0 1 0
Others ¹⁹	34 49 38	0 0 2	13 20 7	8 115 101	5 4 126	0 0 0
Total	209 165 107	2 2 6	32 36 30	285 290 277	7 11 270	2 2 2

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

PROMOTIONS, FIRST SOURCE FOR FILLING VACANCIES














PEOPLE RECEIVING PROMOTIONS

(number)

	2014	2015	2016
Colombia	77 	83 	74 
Ecuador		1 	2 
Mexico		9 	9 
Panama		14 	3 
Peru		8 	24 
Dominican Republic		3 	2 

VACANT POSITIONS FILLED INTERNALLY

(percentage)

	2014	2015	2016
Colombia	 25.81%	 34.19%	 50.8%
Ecuador		 0%	 33%
Mexico		 44%	 20.4%
Panama		 23%	 2.54%
Peru		 4%	 11%
Dominican Republic		 100%	 0%

IN COLOMBIA, TERPEL BETS ON INCLUSION

- As part of its commitment to inclusion, Terpel formed an alliance with the Best Buddies Foundation to expand job opportunities for disabled persons.
- Another initiative during 2016 was the company's involvement with the *40 Thousand First Jobs* program promoted by the national government, which gives an opportunity to young people from 18 to 28 years of age who have no job experience, to gain experience in a real working environment.

IN PERU, TERPEL SETS AN EXAMPLE OF A GOOD EMPLOYER

With the well-being of service station employees in mind, the company hired them directly, offering excellent working conditions and benefit programs for them and their families.

A program was thus created called *Employer Brand*, creating employment agencies online in media such as LinkedIn, Aptitus and Bumeran. Alliances were also formed with local governments to create jobs where service stations were being opened and strengthen relationships with those institutions.

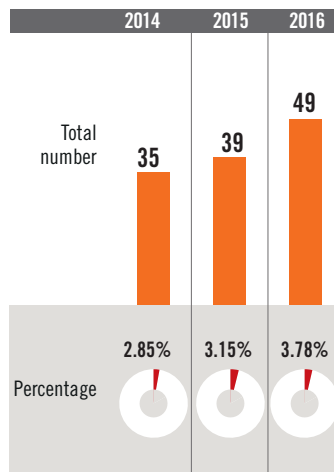
Full Freedom of Association for Terpel Employees

Global Compact Principles 3

The organization guaranteed its workers free exercise without restrictions of their freedom of association.

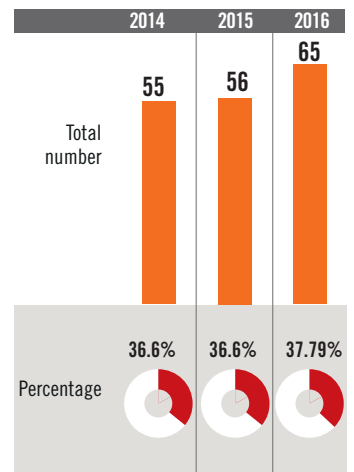
UNIONIZED EMPLOYEES

Colombia



UNIONIZED EMPLOYEES

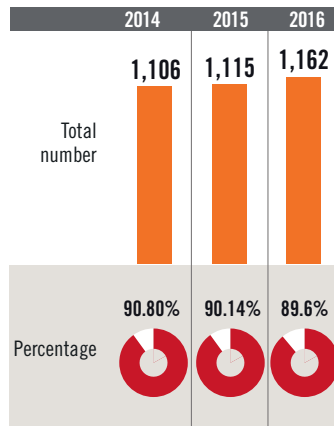
Mexico



TERPEL COLOMBIA signed a new collective employment agreement in effect for two years.

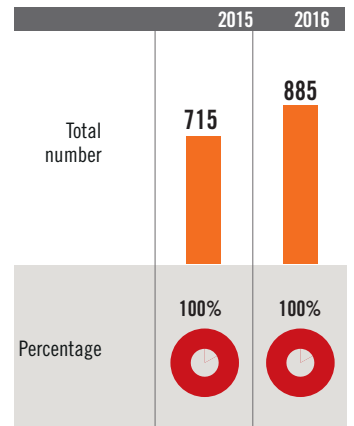
EMPLOYEES COVERED BY THE COLLECTIVE EMPLOYMENT AGREEMENT

Colombia



EMPLOYEES COVERED BY THE COLLECTIVE EMPLOYMENT AGREEMENT

Panama



Terpel Strengthened its Performance Evaluation

The company develops its employees using performance evaluations and individual and team action plans that foster an exchange of know-how and best practices, while generating knowledge and growth.

In Colombia, 1,157 employees received performance evaluations, equivalent to 89.2% of all personnel in that country. The following are the figures for the evaluation by position and gender:

PERSONNEL RECEIVING PERFORMANCE EVALUATIONS IN COLOMBIA

	Men	Women	2014	2015	2016
Managers	0	0	18	7	20
Executives	0	0	28	23	31
Professionals	18	10	206	211	246
Other positions	171	2	151	110	438
Total number of individuals receiving performance evaluations			201	754	1,157

IN ECUADOR, the company disseminated information about its policy regarding qualitative and quantitative performance evaluations, giving rise to the definition of the methodology to be used, its parameters, and the scale for measurements. The first evaluation will be implemented next year.

IN THE DOMINICAN REPUBLIC the 360 Degree feedback evaluation was used for the first time with 100% of the operation's employees. Afterwards, employees were given feedback and part of the working plan was developed, to be completed in 2017.

Terpel is Committed to People's Well-rounded Growth

An attitude of service, results-orientation, and strategic discipline were the inspiration for training and development for members of the Terpel team. Training sessions help participants acquire and perfect skills, abilities, attitudes, and knowledge for doing their work better, in order to have opportunities for progress inside and outside of the organization, and thus improve their quality of life.

TERPEL TRAINING FIGURES

	INVESTMENT IN TRAINING (PESOS)		
	2014	2015	2016
Colombia	848,226,334	1,963,065,516	2,267,543,208
Ecuador	17,452,000	19,926,114	46,787,070.32²⁰
Mexico	970,600,000	26,600,142	40,136,236.66²¹
Panama	201,587,736	412,997,298	567,095,180.77²²
Peru	21,704,739	64,030,927	19,984,550.51²³
Dominican Republic	39,598,000	150,869,008	129,600,000

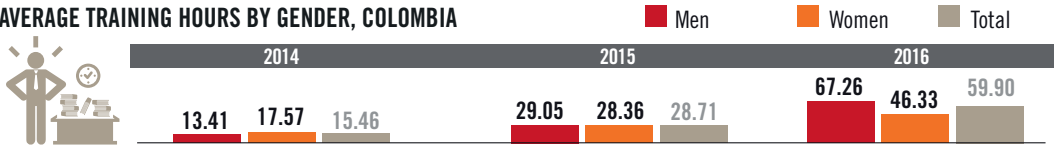
20. Converted from 15,592 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of 3,000.71

21. Converted from 13,375.58 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of 3,000.71

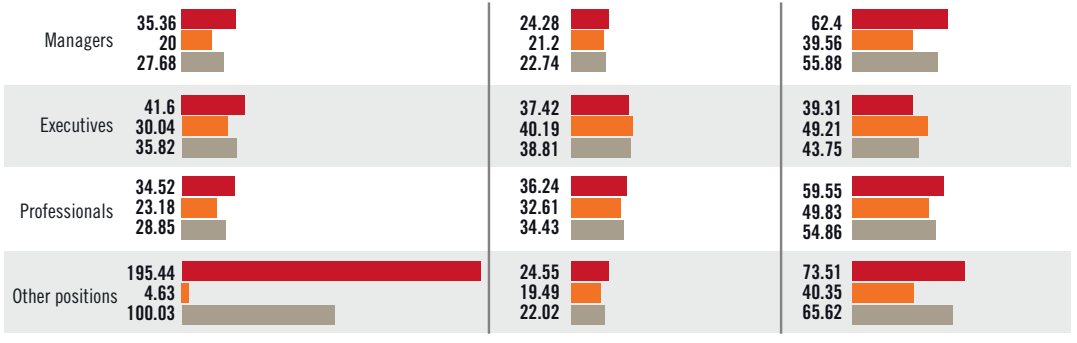
22. Converted from 188,987 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of 3,000.71

23. Converted from 22,444 Nuevos Soles to dollars according to the average exchange rate (Peru) in 2016 of 3.37 and to Colombian pesos according to the average exchange rate (Colombia) in 2016 of 3,000.71.

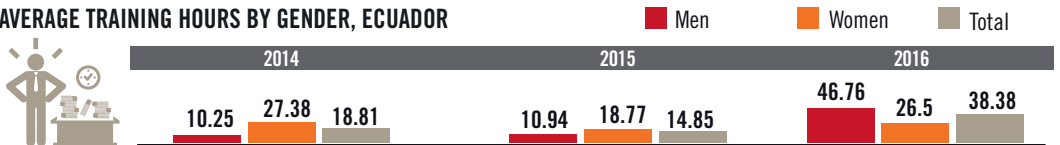
AVERAGE TRAINING HOURS BY GENDER, COLOMBIA



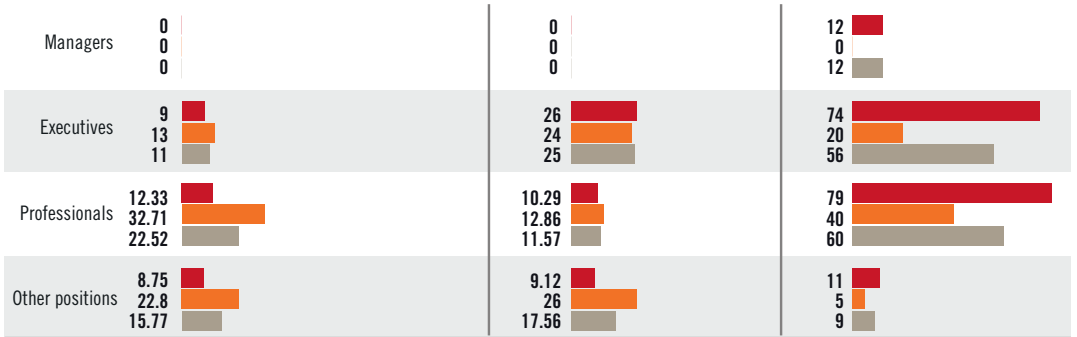
AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, COLOMBIA



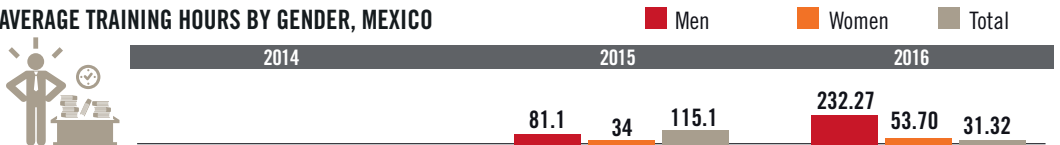
AVERAGE TRAINING HOURS BY GENDER, ECUADOR



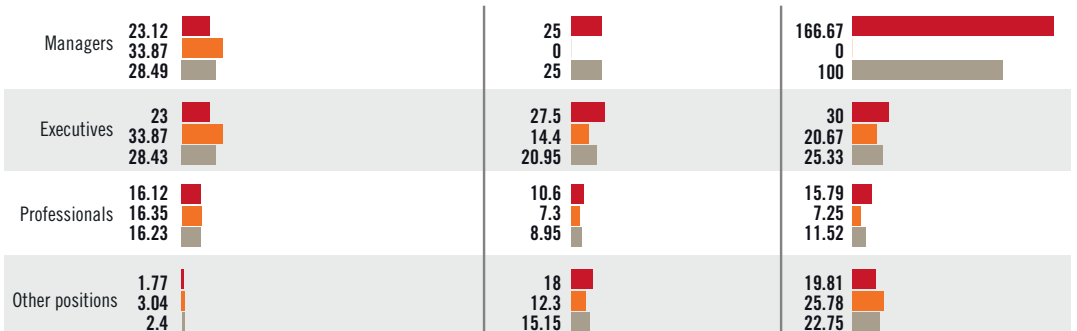
AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, ECUADOR



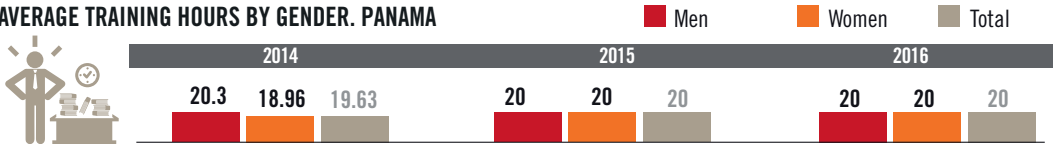
AVERAGE TRAINING HOURS BY GENDER, MEXICO



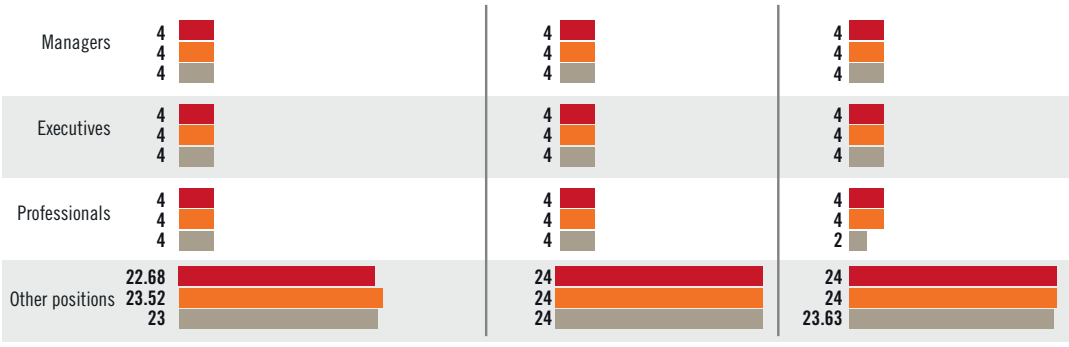
AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, MEXICO



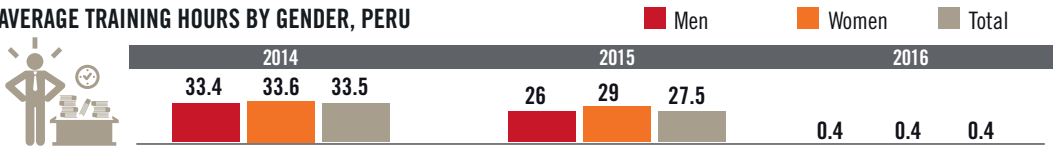
AVERAGE TRAINING HOURS BY GENDER. PANAMA



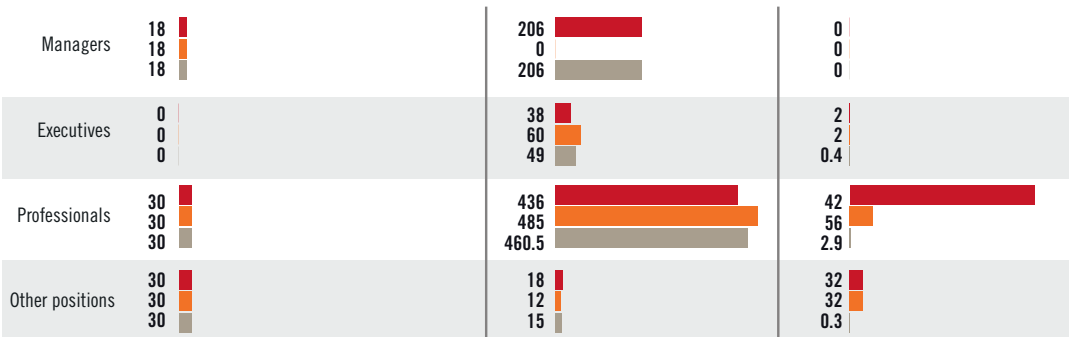
AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, PANAMA



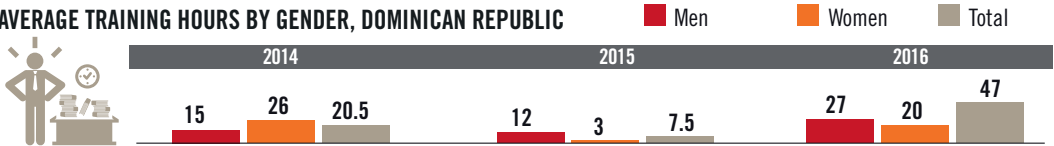
AVERAGE TRAINING HOURS BY GENDER, PERU



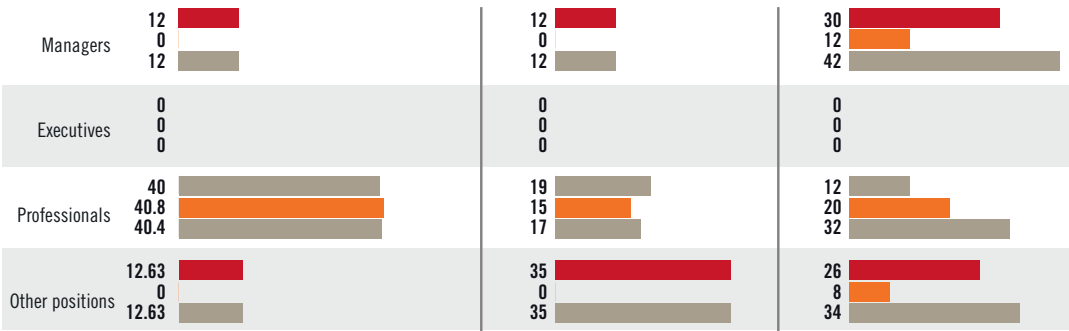
AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, PERU



AVERAGE TRAINING HOURS BY GENDER, DOMINICAN REPUBLIC



AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, DOMINICAN REPUBLIC



Terpel Training in Colombia



Training for **99%** of all direct personnel



68% of direct personnel covered by education subsidy



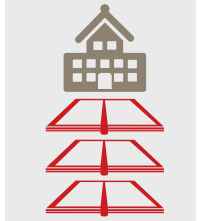
More than **77** thousand hours of training



2,267 million pesos invested in training



More than **7,000** people trained outside the company



Availability of **3** sets of curriculum with Terpel's own content for which credit can be received at institutions of higher education

TERPEL COLOMBIA strengthened the leadership competencies of 67 employees.

ClaseT goes beyond Indicators for Coverage

ClaseT promotes more than 50 online courses with required business and vocational content, for which credit can be received from institutions of higher education, with a view toward increasing the professionalism of human talent in terms of job competencies.

TERPEL RECEIVED THE BEST PRACTICES SEAL FOR ITS CAPACITY TO INNOVATE

Icontec and the Bogotá Chamber of Commerce recognized the innovation produced by Terpel's Innovation Management System, which meets the NTC 5801-5202 standard for Research, Development, and Innovation Management.

Super-T RECOGNIZES SERVICE, INNOVATION, AND EXCELLENCE

Terpel recognized 554 employees who did an exceptional job performing their work and taking key actions for the company, doing more than what was expected and with excellence.

Terpel Develops Capacities and Strengthens Job Skills and Leadership in its Countries of Operation



IN ECUADOR, with the purpose of making better decisions in a timely and assertive manner, training was given to 5 sales representatives, who strengthened the competencies of their position and developed skills for problem analysis and resolution. As a result, sales management became more professional and structured, and problems were analyzed and solved more effectively.

IN MEXICO, 30 employees who oversee other personnel received training



with an emphasis on teamwork and the importance of providing feedback.



IN PANAMA, the leadership of service station administrators and shift supervisors was developed by training them to manage personnel competencies at each point of sale. Tools were also given to all personnel for the *Terpel Efficiency Project*, to

help identify process improvements, policies, and available training. Lastly, changes were made to the *Pump Island Attendants School*, with the purpose of strengthening customer service. The *Give it your Best* module was included, which consists in offering better customer service through an exclusive incentive plan that invites personnel to express their pride in working for the #1 brand in Panama, thus generating memorable experiences for customers. The results can be seen in the service indicator, which went from 51% in 2015 to 62% in 2016.

IN PERU, a training plan was developed for service station

personnel using a modular structure that includes topics related to general procedures, alignment with the culture, personnel management and new roles, service protocol, management systems, quality processes, and health and safety. The *We are Leaders in Service* training was developed for leaders,



coordinators, and operators. As a result, employees reinforced their identification with the organization, equipment handling, and the acquisition of tools for exercising leadership on the job.

Terpel Schools, a Training arena for Partners and Customers

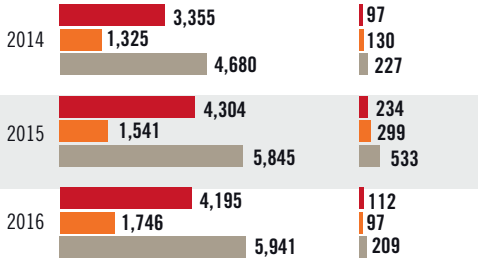
The Pump Island School and the Administrators School have now offered comprehensive education and training, sharing the vision for service, for more than six years.

COLOMBIA

■ Men ■ Women ■ Total

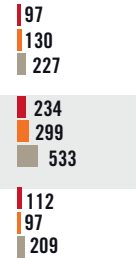
Pump Island School

Number of individuals trained



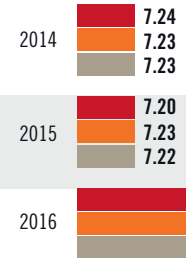
Administrators School

Number of individuals trained



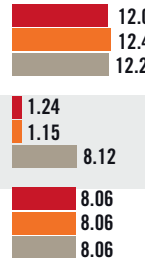
Escuela de Isleros

Average hours of training



Administrators School

Average hours of training

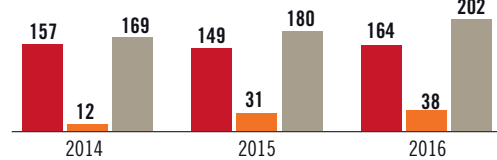


ECUADOR

■ Men ■ Women ■ Total

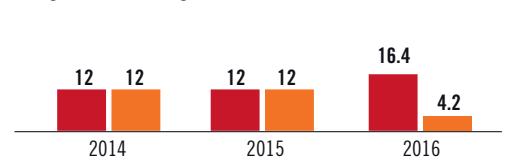
Pump Island School

Number of individuals trained



Pump Island School

Average hours of training



PANAMA

Pump Island School

Number of individuals trained



Administrators School

Number of individuals trained



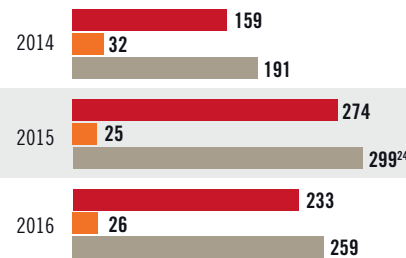
At *Aviation School*, Terpel teaches skills and shares best practices for the business. In 2016 it trained 259 of its customers' employees.

COLOMBIA

■ Men ■ Women ■ Total

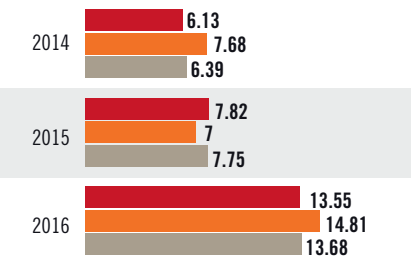
Aviation School

Number of individuals trained



Aviation School

Average hours of training



DOMINICAN REPUBLIC

Number of individuals trained



Average hours of training



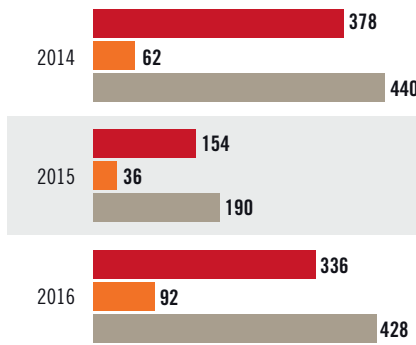
At the *Industry School*, Terpel shares best practices for the operation and handling of fuel, highlighting the importance of taking care of the environment.

COLOMBIA

■ Men ■ Women ■ Total

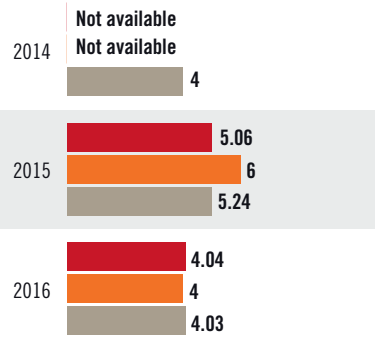
Industry School

Number of individuals trained



Industry School

Average hours of training



Terpel works to provide Safe and Healthy Work Areas

The company protects its employees' health and safety by identifying, assessing, and controlling hazards. It puts activities in motion that are necessary for preventing work-related risks.

IN ECUADOR, Terpel took different actions to care for its employees' health and safety, including:

- A defensive driving course to prevent accidents by reinforcing safe driving techniques and driving knowledge.
- The dissemination and implementation of an alcohol and drugs program, via six talks given by the company's occupational physician.
- Fleet renewal and compliance with the maintenance plan according to kilometers traveled.

- Periodic service station inspections using an operations checklist that includes the areas of safety, the environment, and image, with an official document prepared as the result of each visit.

IN PANAMA, the company promoted emergency prevention and response through workshops with office personnel in first aid, handling fire extinguishers, and environmental logs.

IN PERU, a multidisciplinary team protects employees' health and safety. In 2016, an occupational physician and a social worker were brought on the team. They support personnel needs in areas such as the physical and psychological care of employees.

Figures on Practices to Protect Health and Safety

Terpel continued to implement its Health, Safety, the Environment, and Quality (HSEQ) System in all its countries.

COLOMBIA

	2014			2015			2016		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Work-related fatalities (total number)	0	0	0	0	0	0	0	0	0
Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)			13.47	4.61	4.63	4.62	8.42	23.08	13.73
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	0.9	0.8		1.42	0.60	1.12	1.35	1.58	1.43
Total employee accident rate (Number of incidents / man-hours worked) x 1,000,000			8.93	11.25	3.98	8.44	12.26	9.0	11.10
Lost time injury frequency rate for employees (Number of lost-time injuries x 1,000,000 / man-hours worked)			3.28	5	1.99	3.84	4.60	5.54	4.93
Occupational Illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1,000,000 hours worked)			0			1			0
Number of employees whose occupation has a high incidence or high risk of illness							355	33	388

CONTRACTORS IN COLOMBIA

	2014	2015	2016
Work-related fatalities (total number)	1	0	1 ²⁵
Accident rate: (Number of events x 100) / total number of employees	0.029	0.26	0.18
Lost time injury frequency rate (LTIFR) (Number of lost time injuries/million hours worked)	4	2.4	1.26
Total number of contractors whose occupation has a high incidence or high risk of illness			1,760

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

ECUADOR

	2016		
	MEN	WOMEN	TOTAL
Work-related fatalities (total number)	0	0	0
Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	0	0	0
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	0	0	0
Total employee accident rate (Number of incidents / man-hours worked) x 1.000.000	0	0	0
Lost time injury frequency rate for employees (Number of lost-time injuries x 1.000.000 / man-hours worked)	0	0	0
Occupational Illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1.000.000 hours worked)	0	0	0
Number of employees whose occupation has a high incidence or high risk of illness	0	0	0

Ecuador's good results came out of initiatives for training in defensive driving and safety talks with employees, actions that helped avoid all types of accidents.

MEXICO

	2016		
	MEN	WOMEN	TOTAL
Work-related fatalities (total number)	0	0	0
Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	81.81	5.45	87.26
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	51.98	22.77	74.75
Total employee accident rate (Number of incidents / man-hours worked) x 1.000.000	16.52	5.51	22.03
Lost time injury frequency rate for employees (Number of lost-time injuries x 1.000.000 / man-hours worked)	16.52	5.51	22.03
Occupational Illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1.000.000 hours worked)	0	0	0
Number of employees whose occupation has a high incidence or high risk of illness	71	15	86

PANAMA

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

* The fatality took place in a tollbooth, when a person shot a worker, who died as a result.

PERU

	2016		
	MEN	WOMEN	TOTAL
Work-related fatalities (total number)	0	0	0
Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	0	126.25	126.25
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	0	349.375	349.375
Total employee accident rate (Number of incidents /man-hours worked) x 1,000,000	0	3.038	3.038
Lost time injury frequency rate for employees (Number of lost-time injuries x 1,000,000 / man-hours worked)	0	0	0
Occupational Illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1,000,000 hours worked)	0	0	0
Number of employees whose occupation has a high incidence or high risk of illness	-	-	320

DOMINICAN REPUBLIC

	2016		
	MEN	WOMEN	TOTAL
Work-related fatalities (total number)			0
Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	17.5	15	32.5
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	12	2	14
Total employee accident rate (Number of incidents /man-hours worked) x 1,000,000			0
Lost time injury frequency rate for employees (Number of lost-time injuries x 1,000,000 / man-hours worked)			0
Occupational Illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1,000,000 hours worked)			0

HEALTH AND SAFETY COMMITTEES IN 2016

	COLOMBIA	ECUADOR ²⁶	MEXICO ²⁷	PANAMA	PERU ²⁸	DOMINICAN REPUBLIC
Número de empleados que participan	8	6	30	13	4	9
Número de directivos que participan	8	6	2	0	2	0
Porcentaje de trabajadores representados	100%	100%	100%	100%	100%	100%

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

27. The Occupational Safety and Hygiene Committee supervises the work centers in order to detect unsafe conditions.

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

Terpel Attends to its Employees' Wellbeing

In Colombia, Teleapoyo helps Balance Personal Life and Work

With an eye toward the emotional wellbeing of its employees, Terpel has established a hotline employees can call to receive, as needed, completely confidential, specialized psychological accompaniment

from a team of professionals. Workers and their family members can talk with someone about interpersonal conflicts, or feelings of anguish, stress, or grief due to the loss of a loved one, using the national hotline.

OUT OF ALL THE EMPLOYEES:

93%

VOLUNTARILY CHOSE THE PREPAID MEDICAL SERVICES SUBSIDY

68%

HAVE BEEN COVERED BY THE EDUCATIONAL SUBSIDY

100%

HAVE ACCESS TO THE EMPLOYEE CENTER PLATFORM

In Mexico, Gazel Club is more than a Club

Terpel in Mexico implemented a new social platform for employees. It allows them to interact using an internal network on topics such as wellbeing, training, and awards. It is hoped all workers will access this tool to help them develop closer relationships with each other and have greater access to topics of interest at the company.

Channels for Open Communication at Terpel

The company promotes open communication with employees. For that purpose it makes communication channels available so they can be heard

at any level, giving them an opportunity to express themselves and receive an effective response to questions and doubts.

IN COLOMBIA, TERPEL ORGANIZED ITS 4TH NATIONAL HUMAN TALENT TOUR

The VP of Human Talent continued encouraging a culture of open dialogue with all employees through visits to 29 operations and 35 meetings. A total of 836 employees participated in the meetings that focused on the topic of tolerance and forgiveness. The meetings have become arenas for participatory construction in Colombia, strengthening aspects that need strengthening in the country's current context of reconciliation and peace.

In Colombia, Internal Satisfaction Surpasses the Goal at Terpel

Based on the results of the annual employee satisfaction survey, the company has planned actions that will redound in a highly satisfying working environment. In the survey in 2016, 989 people participated, equivalent to 76% of all personnel. This was 14% higher than the sample size established, and the result showing 84.2% of employees are satisfied exceeded the goal of 83%.

EMPLOYEE SATISFACTION IN COLOMBIA



THIS SAME EXERCISE

was also done for the first time in Peru, obtaining 82% for the level of satisfaction. The company hopes for a result three points higher for the year 2017.



CHALLENGES 2017

- Colombia
- ▶ Consolidate the Employee Central platform, by including 100% of the resumes of the company's employees.
 - ▶ Position Terpel as an outside employer brand.
 - ▶ Strengthen internal communications.
 - ▶ Implement technological tools to facilitate human resource management.
 - ▶ Strengthen employee engagement via collective employment agreements.
 - ▶ Simplify 10% of the company's sub processes.
 - ▶ Redefine the company's goals and vision.
 - ▶ Consolidate Terpel's inclusion program.

Quality

GRI 6 4-19 6 4-20 6 4-21 6 4-27

Material Aspect:

Accompaniment for affiliates, suppliers, customers, and consumers

SUPPLIER DEVELOPMENT



What is Terpel's commitment to Supplier Development?

Suppliers play a strategic role and are an integral part of our company. We seek to establish a business model with them 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, putting our money on domestic purchases with the objective of generating local development.

We build relationships of trust and shared responsibility with our suppliers on crucial aspects that include economic, quality, ethical, labor, environmental, and social issues. A foundation of trust is a basic element for our engagement with them.

Terpel Presents its Local Purchasing

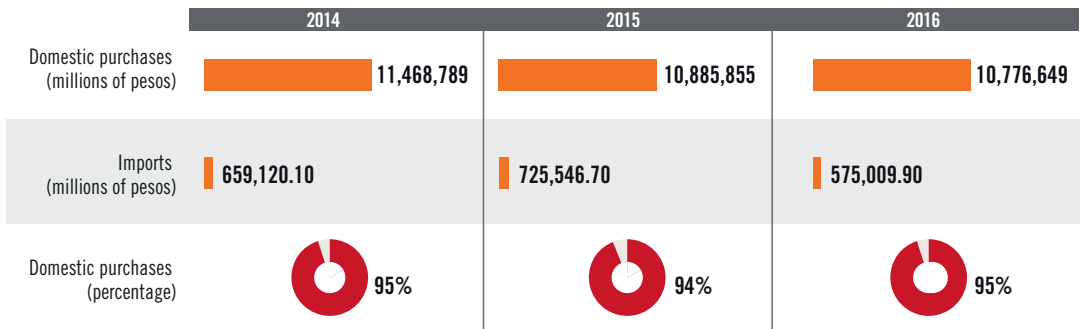
96.8%
OF SUPPLIERS ARE LOCAL

71%
OF PURCHASES ARE DOMESTIC

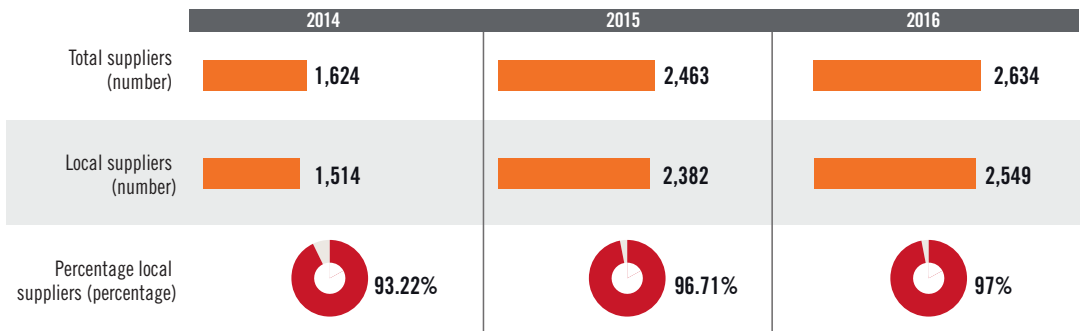
The company believes in the potential of the regions where it operates and therefore gives priority to local purchases, gen-

erating income and jobs in the area immediately surrounding its operations.

PURCHASES²⁹



SUPPLIERS



TERPEL made purchases from 1,315 suppliers in 2016.



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

PURCHASES BY TYPE (PERCENTAGE)

	RAW MATERIALS	SUPPLIES AND SERVICES	CIVIL WORKS	LIQUID FUEL AND BIOFUELS	NATURAL GAS	BASE OILS AND ADDITIVES	TRANSPORTATION
2014	0.004%	2%	0.4%	90%	2%	0.5%	5%
2015	0.005%	2%	0.4%	89%	3%	0.7%	5%
2016	0.009%	2%	0.5%	88%	3%	0.8%	6%



	2014	2015	2016	
Annual value of purchases of liquid fuel and biofuel (millions of pesos)	10,889,184	10,299,672	9,959,225	
Annual value of purchases of natural gas (millions of pesos)	300,817	347,498	321,903	
Annual value of purchases of base oils and additives (millions of pesos)	59,808.90	75,526.90	86,670.80	
Annual value of transportation and movement of fuel (millions of pesos)	By ground	173,143	197,405	213,015.60
	Multi-purpose Pipeline	403,633	436,132	468,795
Total	576,776	633,537	681,811	

Ecuador

98%

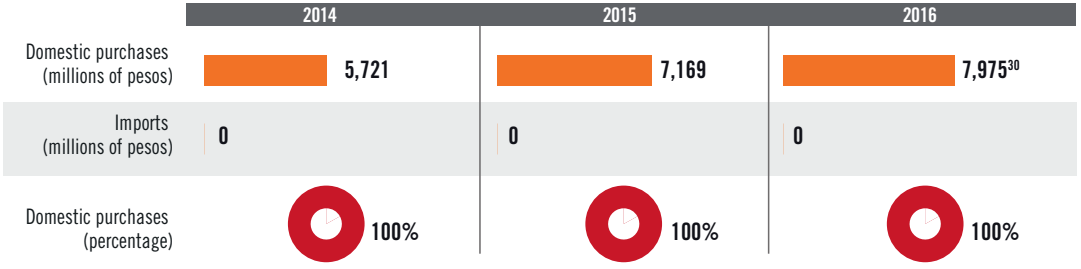
OF SUPPLIERS ARE LOCAL

100%

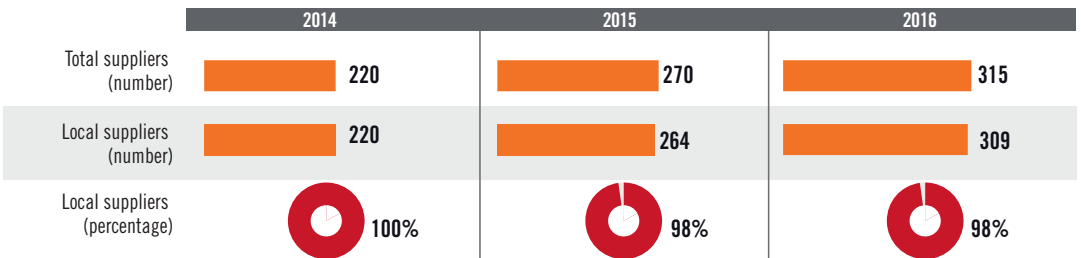
OF PURCHASES ARE DOMESTIC*

*Although purchases are made from one foreign supplier, that supplier has a local representative and payments are made locally.

PURCHASES



PROVIDERS OF GOODS AND SERVICES



PURCHASES BY TYPE (PERCENTAGE)

	SUPPLIES AND SERVICES	CIVIL WORKS	TRANSPORTATION
2014	63%	11%	26%
2015	55%	14%	31%
2016	54%	13%	33%

THE OPERATION IN ECUADOR purchased lubricants and additives in the amount of 155 million pesos³².

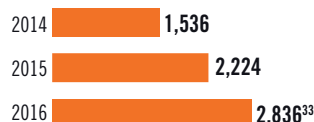
ANNUAL VALUE OF PURCHASES OF LIQUID FUEL

(millions of pesos)



ANNUAL VALUE OF TRANSPORTATION AND MOVEMENT OF FUEL VIA GROUND TRANSPORTATION

(millions of pesos)



30. Converted from 2,657,777 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of: 3,000.71

31. Converted from 149,522,729 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of: 3,000.71.

32. Converted from 51,720 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of: 3,000.71.

33. Converted from 945,127 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of: 3,000.71.

Mexico

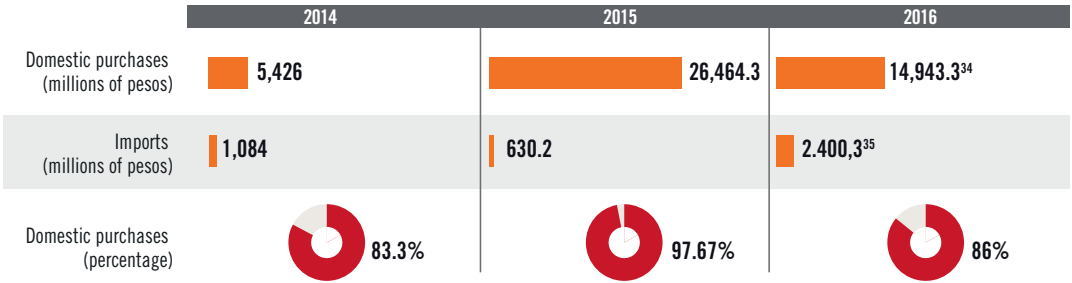
97%

OF SUPPLIERS ARE LOCAL

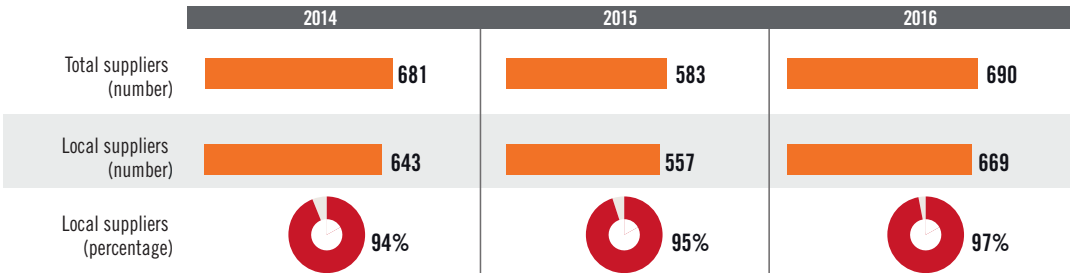
86%

OF PURCHASES ARE DOMESTIC

PURCHASES



PROVIDERS OF GOODS AND SERVICES



PURCHASES BY TYPE (PERCENTAGE)

	RAW MATERIALS	SUPPLIES AND SERVICES	CIVIL WORKS	TRANSPORTATION	OTHERS
2014	36%	51%	11%	1%	1%
2015	0.34%	84.44%	14.56%	0.65%	0%
2016	6%	64%	28%	2%	0%



ANNUAL VALUE OF PURCHASES OF NATURAL GAS

(millions of pesos)



34. Converted from 51,720 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of: 3,000.71.

35. Converted from 945,127 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of: 3,000.71.

36. Converted from 4.98 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of: 3,000.71.

Panama

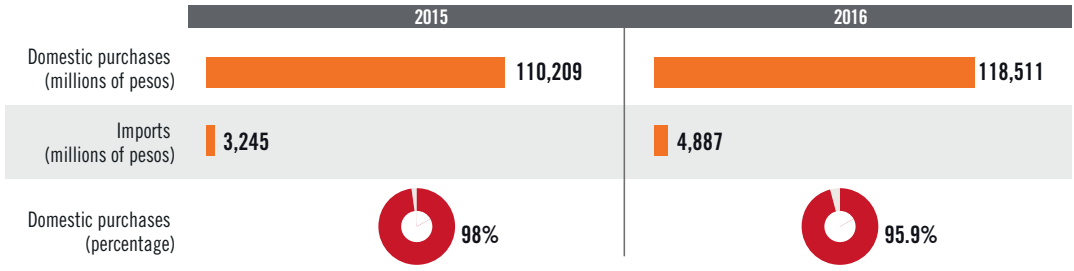
94.6%

OF SUPPLIERS ARE LOCAL

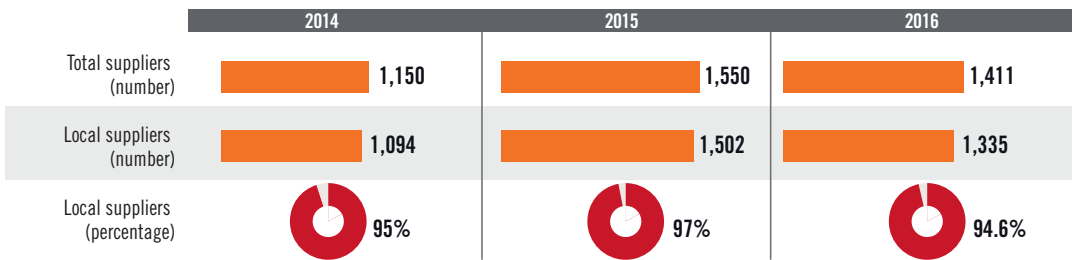
95.9%

OF PURCHASES ARE DOMESTIC

PURCHASES



PROVIDERS OF GOODS AND SERVICES



PURCHASES BY TYPE (PERCENTAGE)

	SUPPLIES AND SERVICES	CIVIL WORKS	TRANSPORTATION	OTHERS
2014	Does not apply	1%	93%	6%
2015	57%	43%	Does not apply	57%
2016	77.26%	16.60%	6.15%	Does not apply

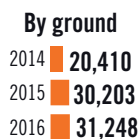
ANNUAL VALUE OF PURCHASES OF LIQUID FUEL (millions of pesos)



ANNUAL VALUE OF PURCHASES OF LUBRICANTS AND ADDITIVES (millions of pesos)



ANNUAL VALUE OF TRANSPORTATION AND MOVEMENT OF FUEL (millions of pesos)



Peru

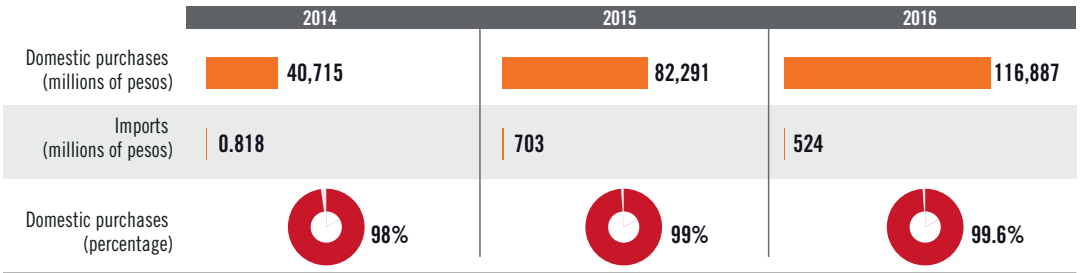
99%

OF SUPPLIERS ARE LOCAL

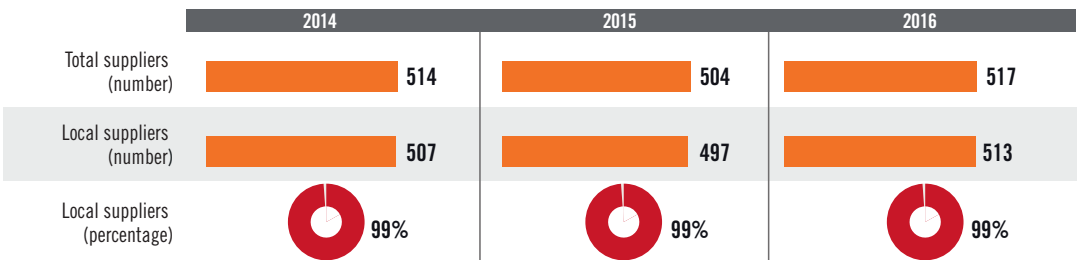
99.6%

OF PURCHASES ARE DOMESTIC

PURCHASES

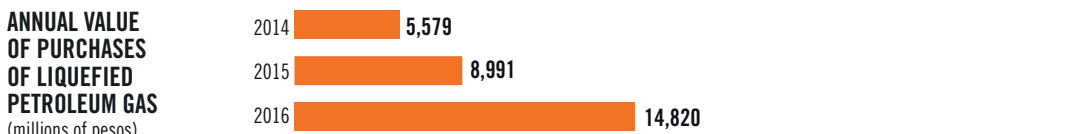
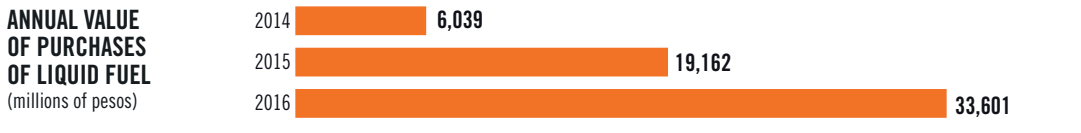


PROVIDERS OF GOODS AND SERVICES



PURCHASES BY TYPE (PERCENTAGE)

	SUPPLIES AND SERVICES	CIVIL WORKS	TRANSPORTATION	OTHERS
2014	78%	15%	0%	6%
2015	87%	9%	0%	4%
2016	0%	94%	3%	0%



GRI 4-22

37. The figures were adjusted in accordance with an internal revision.

Dominican Republic

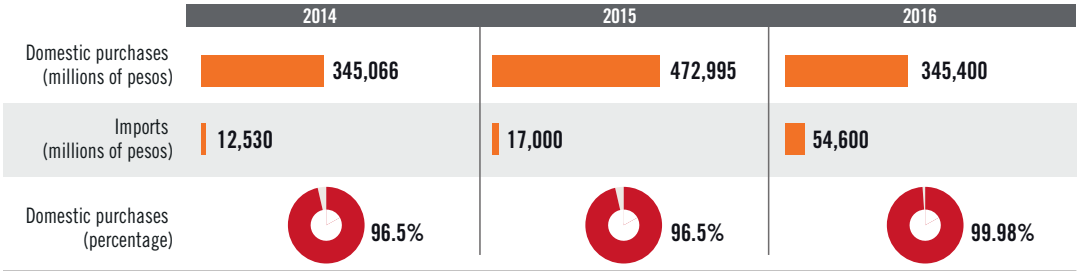
94%

OF SUPPLIERS ARE LOCAL

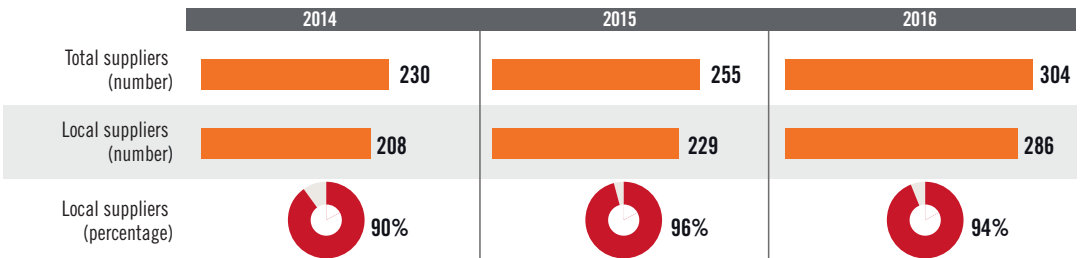
99.8%

OF PURCHASES ARE DOMESTIC

PURCHASES



PROVIDERS OF GOODS AND SERVICES



PURCHASES BY TYPE

	RAW MATERIALS	SUPPLIES AND SERVICES	CIVIL WORKS	TRANSPORTATION	OTHERS
2014	96%	0%	0%	4%	0%
2015	85%	3%	2%	10%	0%
2016	79%	6%	0%	2%	13%

ANNUAL VALUE OF PURCHASES OF LIQUID FUEL

(millions of pesos)



ANNUAL VALUE OF TRANSPORTATION AND MOVEMENT OF FUEL VIA GROUND TRANSPORTATION

(millions of pesos)



Terpel Expands its Commitment to Human Rights with Tools that Promote, Facilitate, and Safeguard Compliance

Global Compact Principles 1/2/8/10

- Contractors' Manual
- Letter of Introduction to Environmental Management
- Contractual Civil Liability Policies
- Environmental regulations for the supplier's processes, products, and services.³⁸
- Audits of waste disposal agents



GRI G 4-19 G 4-20 G 4-21 G 4-27

Material Aspect: Accompaniment for affiliates, suppliers, customers, and consumers

In Colombia, Terpel Develops Best Practices with its Suppliers

- The implementation of the new Fiori tool revolutionized Terpel's procurement process, because it increases the efficiency and timeliness of order request approvals, streamlining transactions in benefit of the users.
- Strengthening trust, expediting processes and opening up communication channels allows us to grow together with our partners. For that reason tours were organized to meet with our domestic suppliers, with the participation of 24 transportation providers and 164 suppliers in other areas. These talks helped make us aware of the expectations and needs of stakeholders, to be able to define action plans that identify opportunities for improvement, and share information about the change in the platform for electronic

business and supplier administration.

- Terpel has 44 transportation providers in the country, who in 2016 moved more than 1,200 million gallons of fuel. These figures motivate the company to deploy initiatives that will benefit them and ensure their well-being on the highways they travel daily.
 - ▶ 1,092 drivers were trained in the Terpel *Driving School*, with an average of four hours of training in total.
 - ▶ 19 drivers of Rumbo Terpel customers graduated from the *Drivers Diploma Course*.

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

GRI G 4-19 G 4-20 G 4-21 G 4-27

Material Aspect:

Accompaniment for affiliates, suppliers, customers, and consumers

BEST PRACTICES WITH TERPEL SUPPLIERS IN ITS COUNTRIES OF OPERATION

IN ECUADOR, monthly talks on safety and safe product handling promote excellence in logistics. There are also training sessions for managing contingencies and a quarterly follow-up on tank truck safety.

IN MEXICO, many of Terpel's suppliers received a visit from authorized personnel from the company to check on their quality and infrastructure processes.

IN PERU, we organized discussions with some of our suppliers about opportunities for improvement, in order to strengthen long-term relations with this stakeholder.

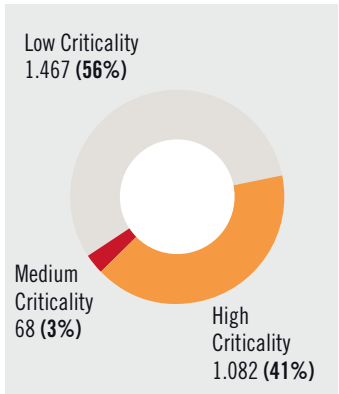
In Colombia, Terpel Measured Supplier Satisfaction
225 suppliers participated in the survey conducted by the company.

GRI G 4-19 G 4-20 G 4-21 G 4-27

Material Aspect: Accompaniment for affiliates, suppliers, customers, and consumers

Terpel Suppliers in Processes for Improvement

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



IN COLOMBIA, the company evaluated 778 of its suppliers to identify opportunities for improvement. The categories for these opportunities were as follows: 79 environmental, 13 biofuel, 9 equipment, 160 maintenance,

40 marketing, 76 civil works, 23 Health, Safety, Environment, and Quality System, 35 fuel transportation, and 343 were in other areas. This evaluation helped Terpel decide which suppliers to continue with and which needed improvement plans for continuing the relationship. In 2016, 32 improvement plans were executed, most of them having to do with issues related to compliance, all of which were completely closed out.

IN ECUADOR, MEXICO, PANAMA, PERU AND THE DOMINICAN REPUBLIC, Terpel Evaluates its Suppliers. The results of the evaluations help us implement adjustments necessary for the proper operation and provision of the services the company requires, achieving continuous improvement of processes and further development of the business.

CHALLENGES 2017

- Colombia ▶ Continue streamlining procurement process.

Responsibility

GRI 6 4-19 6 4-20 6 4-21 6 4-27

Material Aspect:

- Climate Change (carbon footprint)
- Spills and waste products

Global Compact Principles 7, 8, 9

PROTECTION OF THE ENVIRONMENT



What is Terpel's Commitment to Protecting the Environment?

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 to be keenly aware of these issues and work in a responsible manner. That's why we share our perspective and best practices with them.

We rely on our HSEQ (Comprehensive Management System for Health, Safety,

the Environment, and Quality) and legal compliance. We focus on avoiding fuel spills, managing waste products, and reducing our carbon footprint. We are always working to develop environmentally-friendly fuels and lubricants. 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.

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

Reliable Service Stations: the Safest Network in Colombia

Global Compact Principles 8

Terpel continues to work on forming a single network of its own service stations and those of affiliates to assure the highest standards for safety, the environment, and product quality. We do this by making

a series of visits to assess the work at service stations, suggesting and providing accompaniment for improvement plans, while organizing ongoing training and consulting, all with the goal of meeting program objectives.

PILLARS

THE SAFETY OF PEOPLE

PRODUCT QUALITY

RESPECT FOR THE ENVIRONMENT



The Reliable Service Stations program INVOLVES 1,009 SERVICE STATIONS

48% OF AFFILIATED SERVICE STATIONS are committed to Reliable Service Stations

100% OF THE TERPEL-OWNED SERVICE STATIONS are in the program

THE COMPANY VISITED 221 SERVICE STATIONS, encompassing both Terpel-owned and franchises:

There were 3,038 FINDINGS

1,936 FINDINGS were closed out

788 AFFILIATED SERVICE STATIONS were visited under the program

There were 14,730 FINDINGS

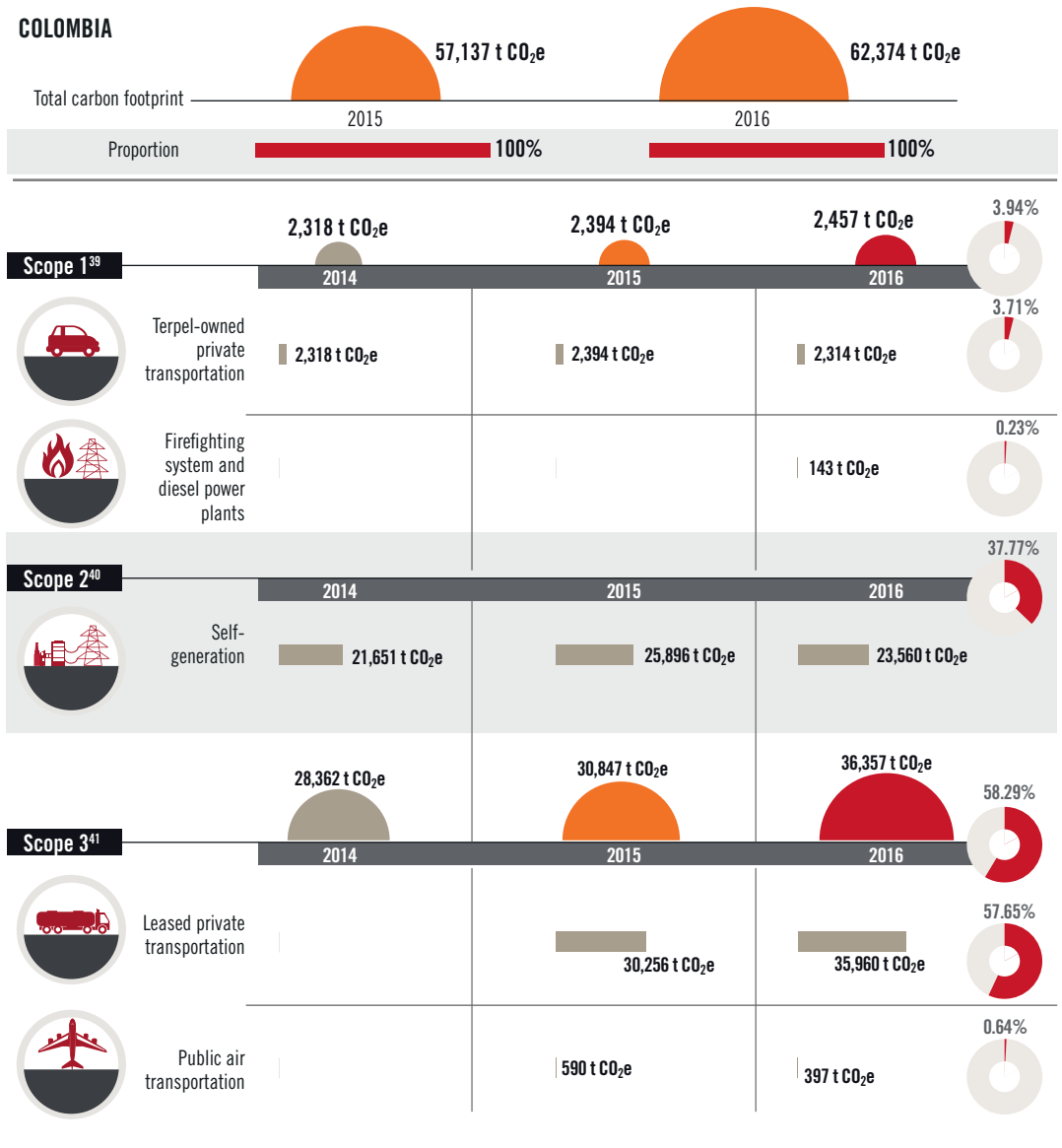
4,748 FINDINGS were closed out

GRI G 4-19 G 4-20 G 4-21 G 4-27

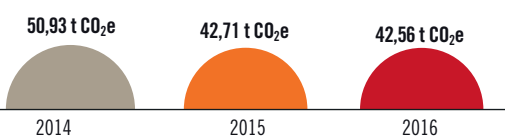
Material Aspect: Climate Change (carbon footprint)

Terpel Steadfast in the Fight against Climate Change

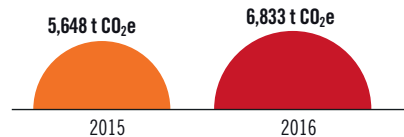
COLOMBIA



ECUADOR



PANAMA



39. Scope 1: emissions coming from facilities owned by the organization, over which it has control.

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

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

GRI [G 4-19](#) [G 4-20](#) [G 4-21](#) [G 4-27](#)

Material Aspect: Climate Change (carbon footprint)

NGV Fuels, an Environmentally-friendly Alternative

Terpel helps reduce emissions into the environment by offering and selling fuels for natural gas vehicles.



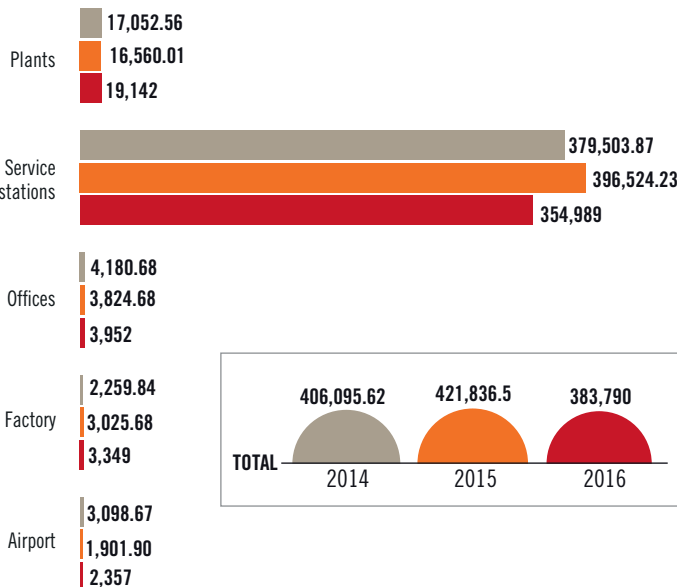
OTHER EMISSIONS

(micrograms per m³), PERU

	2014	2015	2016
NOx	27.489	32.173	50.520
SOx	6.9	7.2	5.0
PM 2,5	2.2	3.4	4.5
PM 10	33.245	38.467	39.672

Learn about Terpel's Energy Consumption

COLOMBIA (GJ)



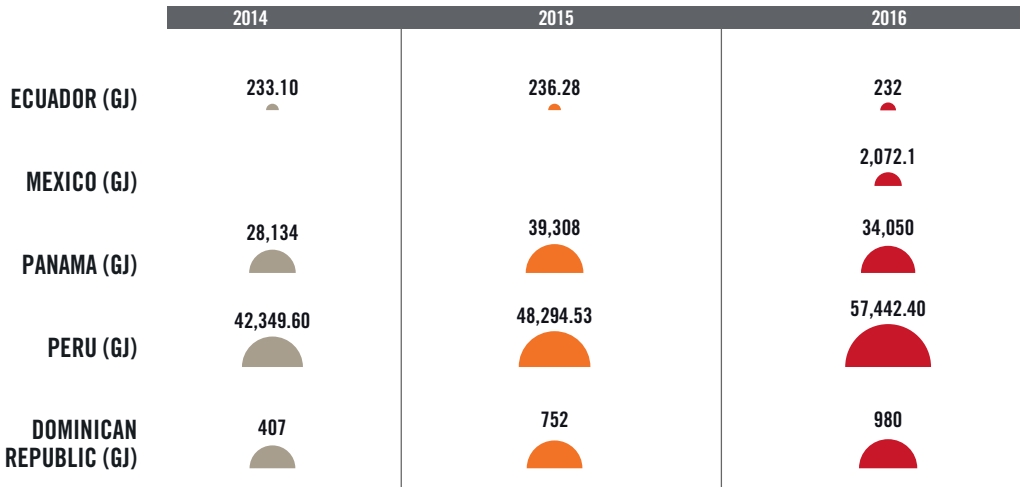
Despite having reduced total energy consumption in Colombia with respect to 2015, the cost of energy increased almost 26% due to a 9.09 pesos per Kw/h price increase. In other words, the company paid 47,750 million pesos in 2016, compared to 27,479 million pesos in the year 2015.

IN COLOMBIA, TERPEL REDUCED ENERGY CONSUMPTION BY

9%

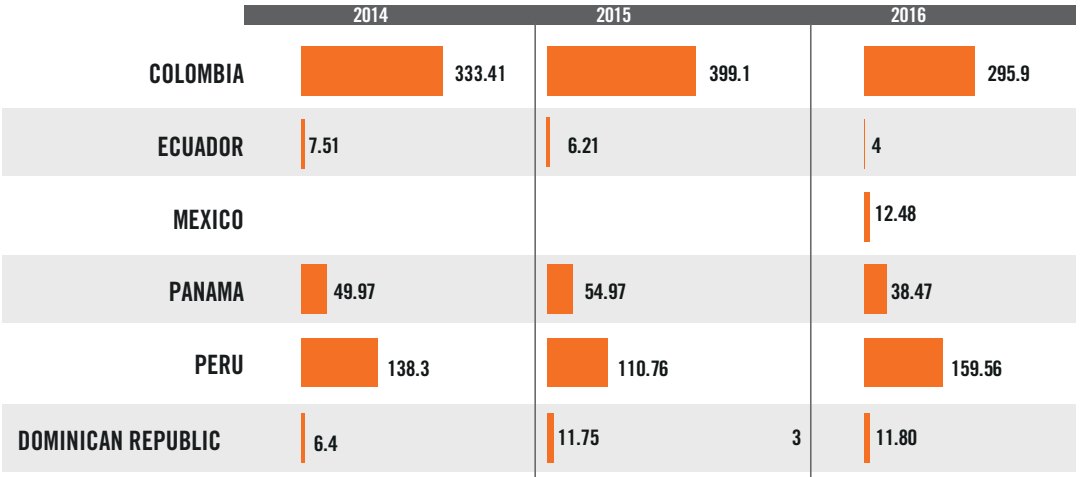
42. Durante 2016 no se realizó la medición.

Consumption (GJ)



ENERGY INTENSITY

(GJ / used)



GRI **G 4-19** **G 4-27****Material Aspect:** Spills and waste products

Terpel Poised for Prevention

The company has a contingency plan for each work center so it can respond in a timely

manner to any potential spill, minimizing any impact that could be generated on the

environment or on safety. To do that it has spill kits available and provides training for service station personnel, transporters, and suppliers. It also runs spill response drills every year to help foresee possible situations, develop emergency brigades, and implement an environmental log for its operations and with customers.

In Colombia, Terpel reduced the number of spills compared to the year 2015, but the volume of gallons spilled increased, 54% of which was spilled in two of the events. The main causes of the spills were human error and system conditions or failures, in response to which we developed action plans.

COLOMBIA

	2014	2015	2016
Spills affecting natural resources (number)	4	6	7
Spills not affecting natural resources (number)	6	29	26
Total product spills (number)	10	35	33
Total Colombia (gallons)	3.413	15.722,9	82.877,30

PANAMA

	2015	2016
Spills affecting natural resources (number)	0	2
Spills not affecting natural resources (number)	8	5
Total product spills (number)	8	7
Total Panama (gallons)	817	1.740

DOMINICAN REPUBLIC

	2014	2015	2016
Spills affecting natural resources (number)	0	1	0
Spills not affecting natural resources (number)	11	21	8
Total product spills (number)	11	22	8
Total Dominican Republic (gallons)	26	135	51

GRI G 4-19 G 4-27

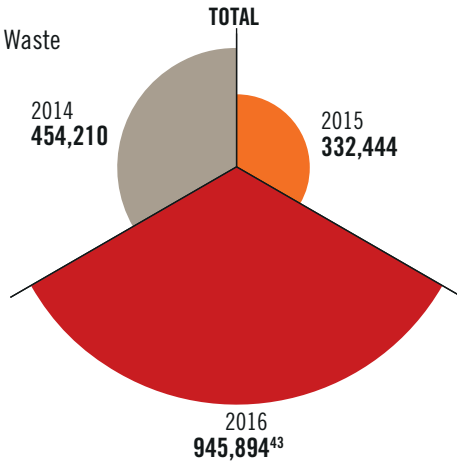
Material Aspect: Spills and waste products

Terpel Makes Progress on Waste Management

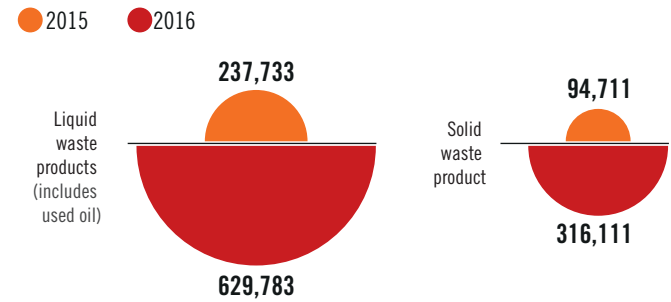
The company identified, gathered and properly disposed of both hazardous and nonhazardous waste products in each of its operations. In 2016 both Ecuador and Panama strengthened waste management at their operations and began reporting for this area.

COLOMBIA

Hazardous Waste (kilograms)



Non-hazardous Waste (kilograms)



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

REGION	WASTE DISPOSAL AGENT	2014	2015	2016
Antioquia	ASEI	10,308	10,782.4	34,402
	CRUDESAN	15,879	22,918.5	0
Bucaramanga	DESCONT	17,496	22,047	5,581
	WDF	8,167	9,710	7,556
Center	ECOSOL	57,092	32,585	11,239
	TRIPLE A			761
West	WDF	15,750	34,295.5	22,011.61
	ALBEDO			222,762
Sabana	ECOLCIN	314,936	183,832	571,798
	INCIHUILA	2,871	10,155.6	1,719
South	TWM	11,711	6,117.7	68,067
	Total	454,210	332,444	945,897

TERPEL RECYCLED 4,941 STEEL DRUMS at the lubricant factory, thereby not producing 85,017 kg of hazardous wastes, with savings of 191 million pesos.

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

WASTE DISPOSAL BY TYPE AND TREATMENT METHOD

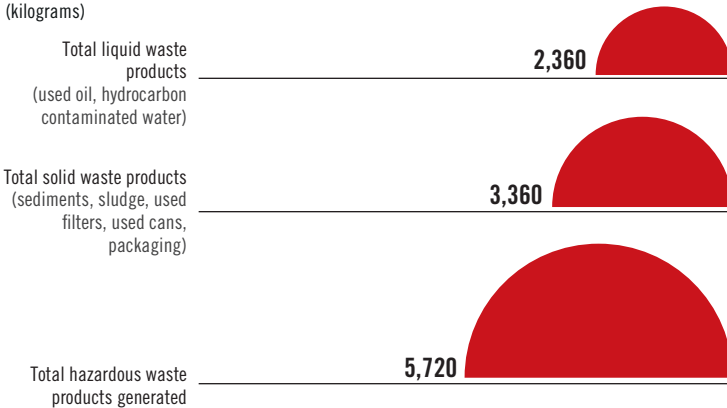
WASTE DISPOSAL AGENT	SEDIMENTS, HYDROCARBON CONTAMINATED WATER, AND SLUDGE	CANS, CONTAMINATED MATERIAL AND PACKAGING	USED FILTERS ⁴⁴	FLUORESCENT TUBES AND LIGHTBULBS	USED OIL	CARTRIDGES, RIBBONS, AND COMPUTER PARTS
ASEI	✱	✱	✱	✱	✱	✱ ✱
DESCONT	✱	✱	✱	✱	✱	✱ ✱
ECOLCIN	✱	✱	✱	✱	✱	✱ ✱
ECOSOL	✱ ✱ ✱	✱ ✱ ✱	✱ ✱	✱	✱	✱ ✱ ✱
TWM	✱	✱	✱	✱	✱	✱ ✱
INCIHUILA	✱	✱	✱	✱	✱	✱ ✱
CRUDESANT	✱	✱	✱	✱	✱	✱
WDF	✱	✱	✱	✱ ✱	✱	✱

Incineration • Bioremediation • Physicochemical treatment • Centrifugation • Recovery • Safety cell • Secure landfill
 • Controlled destruction • Recycling • Reuse • Encapsulation • Storage for later recovery • Biological treatment • Crushing
 • Dismantling • Decommissioning • Not applicable: NA

Ecuador

ECUADOR

Hazardous Waste generated (kilograms)



Non-hazardous Waste generated (kilograms)



TERPEL IMPLEMENTED hazardous waste collection using an Environmental Operator, a process that helps avoid long-term storage and improper disposal. In total, the company in Ecuador processed 6,140 kg of waste products.

WASTE PRODUCTS MANAGED

TYPE OF WASTE PRODUCT	WEIGHT OF WASTE PRODUCTS DISPOSED (KILOGRAMS)	TREATMENT METHOD
Hazardous	5,520	Disposal by a waste disposal agent authorized by the Ministry of the Environment, and elimination via controlled incineration.
Used oil	200	Delivery to used oil operator for processing, or sediment for incineration
Non-hazardous: Paper	420	Delivery to municipal collector and to authorized recyclers.

44. Not taken into account for the footprint.

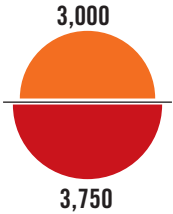
Mexico

MEXICO

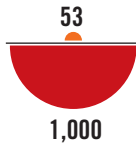
Hazardous waste

● 2015 ● 2016

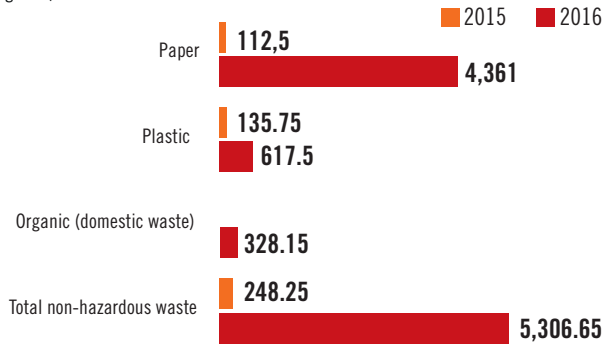
Used oil
(liters)



Used rags
(kilograms)



Non-hazardous waste (kilograms)



IN MEXICO, Organización Terpel managed 7,548 kg of waste products.

WASTE PRODUCTS MANAGED

TYPE OF WASTE PRODUCT	WEIGHT OF WASTE PRODUCTS DISPOSED (KILOGRAMS)	TREATMENT METHOD
Hazardous: used oil	3.187	Final disposal by authorized provider
Non-hazardous: paper	4.361	Final disposal by authorized provider

Panama

PANAMA

Hazardous waste (gallons)

Used oil



Non-hazardous waste (kilograms)

Electronic waste



WASTE PRODUCTS MANAGED

TYPE OF WASTE PRODUCT	WEIGHT OF WASTE PRODUCTS DISPOSED (KILOGRAMS)	TREATMENT METHOD
Hazardous: used oil	252.787	Collection by the company ACCEL and decanting of the oil.
Non-hazardous: Electronic waste	295.74	Processing of electronic devices in partnership with Petrovias

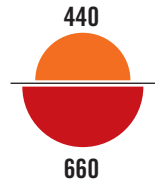
Peru

PERU

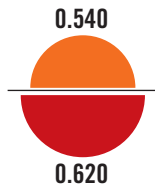
Hazardous waste

● 2015 ● 2016

Used oil (gallons)

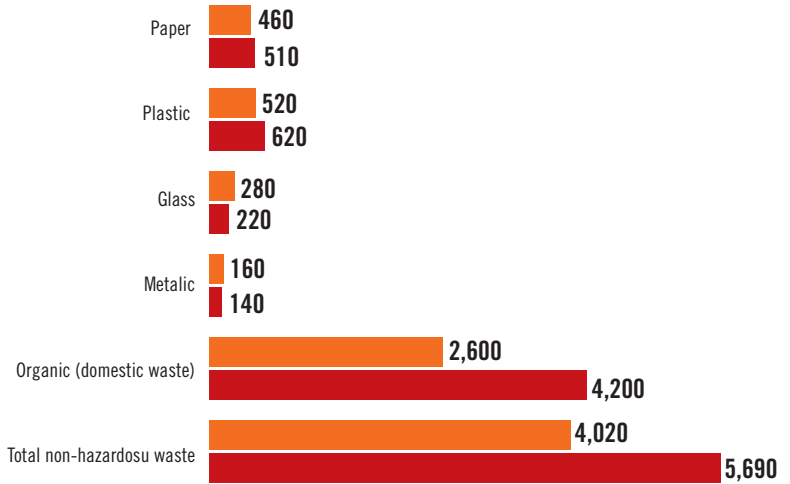


Used rags (tons)



Non-hazardous waste (kilograms)

■ 2015 ■ 2016



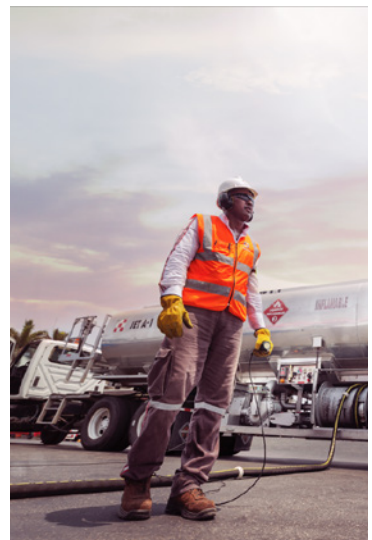
WASTE PRODUCTS MANAGED

TYPE OF WASTE PRODUCT	WEIGHT OF WASTE PRODUCTS DISPOSED (KILOGRAMS)	TREATMENT METHOD
Hazardous		
Used oil	660 gallons	Secure landfill
Contaminated sand	220 Kg	Secure landfill
Used rags	0.620 TM	Secure landfill
Non-hazardous: paper, plastic, glass, metalic and organic	5,690 Kg	Landfill

Dominican Republic

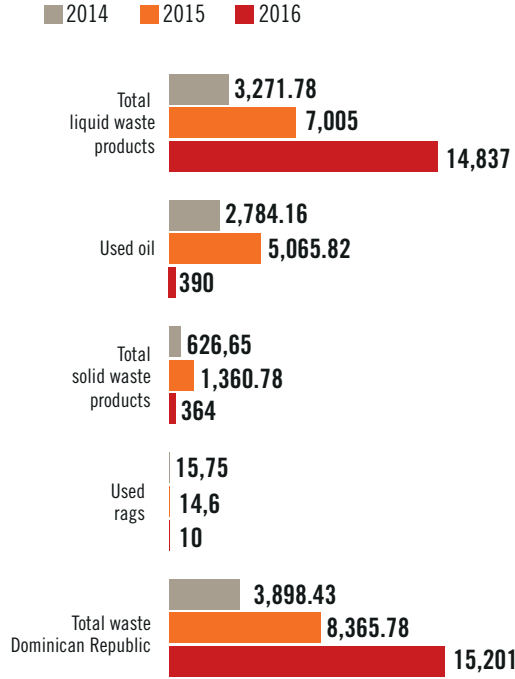
WASTE PRODUCTS MANAGED

TYPE OF WASTE PRODUCT	TREATMENT METHOD
Hazardosu	Incineration
Used oil	Reuse
Hydrocarbon contaminated water	Reuse
Contaminated sand	Incineration
Contaminated fuel	Incineration
Contaminated paper and plastic	Incineration
Tierra contaminada	Incineration
Used rags	Incineration
Non-hazardous	Dump

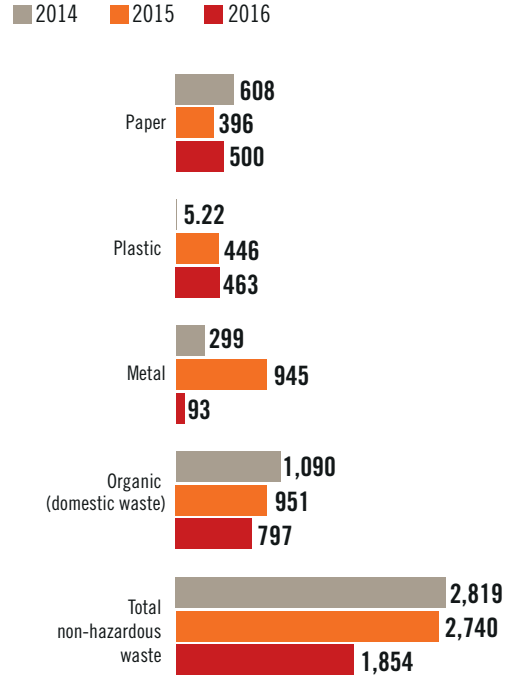


DOMINICAN REPUBLIC

Hazardous waste
(kilograms)



Non-hazardous waste



Water, a Resource Terpel Monitors

It's important to Terpel to take care of this resource that impacts the life of every human being.

TOTAL WATER CONSUMPTION (m3)

	2014	2015	2016
Colombia	815,352	914,258	644,903
Ecuador	157	206	207
Mexico	1,558.34	3,040.56	4,745
Panama	361,992	388,549	433,658
Peru	29,098	36,642	42,180
Dominican Republic	493,17	4,005.48	702,33

IN THE DOMINICAN REPUBLIC, consumption of this resource was monitored in 2016.

CLEAN INDUSTRY, A PROGRAM TO ENSURE RESPONSIBLE FUEL HANDLING

Figures demonstrate this to be one of Terpel's flagship programs for preventing environmental impacts in the operations of its industrial customers.

72

GREEN VISITS TO
59 INDUSTRIAL
CUSTOMERS

72

TRAINING
DAYS ON SAFE
FUEL HANDLING
THROUGH
OCCUPATIONAL
HEALTH
PROGRAMS

59

INDUSTRIAL
CUSTOMERS WENT
TO THE INDUSTRY
SCHOOL

Terpel Presents its Investments in the Environment

In Colombia, the company invested close to 2,317 million pesos in environmental management.

COLOMBIA

Environmental expenses by work center
(millions of pesos)

	2014	2015	2016
Service stations	1,338	1,569	1,999.9
Plants	135	266	153
Factory	35	34	87
Airports	104	102	78

	2014	2015	2016
ECUADOR	232,739,149	358,464,402	217,323,421 ⁴⁵
PANAMA	182,090	1,935,852,000	513,303,706
PERU	256,887,096	395,041,245	411,937,919
DOMINICAN REPUBLIC	41,577,250	27,855,978	0 ⁴⁵

45. Converted from 72,424 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of: 3,000.71.

46. Environmental initiatives not developed.

CHALLENGES 2017

- Colombia
- ▶ Install solar cells in plants in Colombia in regions not connected to the grid.
 - ▶ Plant 10,000 trees in the company's available areas.
 - ▶ Replace lighting with a more efficient LED system at 10% of the work centers.

The Public

GRI 6 4-19 6 4-20 6 4-21 6 4-27

Material Aspect:

- Quality Education
- Reconciliation

COMMUNITY WELLBEING



What is Terpel's Commitment to Community Wellbeing?

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 regions where we operate, in diverse contexts.

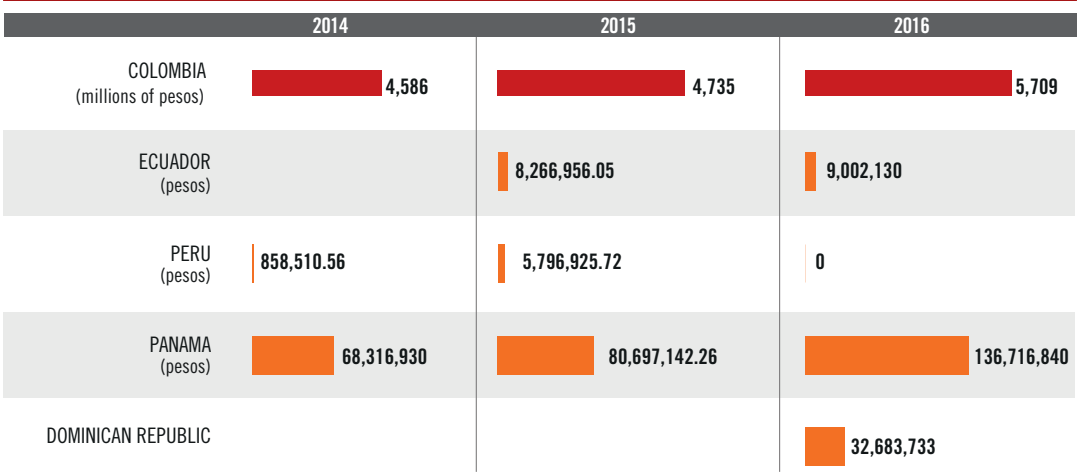
Our social investment strategy has been the vehicle for responsible initiatives that have a positive impact on wellbeing

and quality of life, especially in the communities near our operations.

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

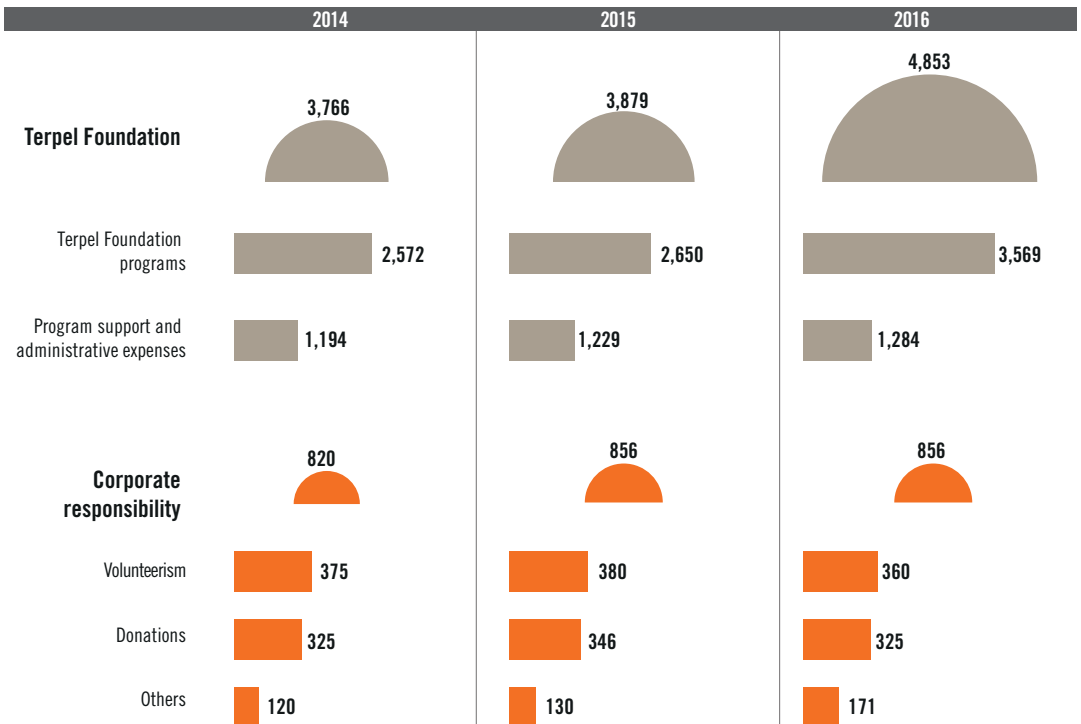
We are a Country Partner, good neighbors, and we believe in our capacity to transform.

Terpel Creates Value through Social Initiatives



SOCIAL INVESTMENT LINES IN COLOMBIA

(millions of pesos)



47. Converted from 2,755 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of: 3,000.71.

48. Converted from 3,000 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of: 3,000.71.

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

In Colombia, Terpel Foundation Partners in favor of Quality Education

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

The different programs run by the Terpel Foundation in 31 Departments of Colombia have made positive changes in communities, proving it is indeed possible to make dreams come true via teamwork.















MORE THAN
332
THOUSAND BENEFICIARIES,
31% MORE THAN IN 2015

190
MUNICIPALITIES IN 31
DEPARTMENTS

NATIONAL EDUCATION PROJECTS

Design for Change

The Design for Change program developed 108 empowerment projects to bring to potential the competencies of children and young people in public schools, and motivate them to become agents of change in their communities. More than 96,000 students participated.













		GOAL	MET	
	Schools involved	3,000	2,018	67% 
	Projects implemented	100	108	108% 
	Teachers Trained	100	108	108% 
	Teachers Participating	200	2,994	1,497% 
	Student leaders	5,000	5,172	103% 
	Students benefited	31,900	91,704	287% 
	Votes	30,000	56,206	226% 

Escuelas que Aprenden® (Schools that Learn)

This program was implemented in 3 new cities in Colombia - Bucaramanga, Leticia, and Quibdó – strengthening schools in terms of leadership, academics, educational methods,

and community aspects. This will in turn improve the quality of education and produce a positive impact on teaching mathematics and language. With these skills, the students will be better

prepared in logical thinking and communication skills for good problem solving, reasoning, and communication skills.







	GOAL		MET	
Secretaries of Education 	6	6	100%	
Schools 	58	59	101%	
Students 	97,738	106,994	109%	
Teachers 	1,765	2,065	116%	
Principals 	58	58	100%	
Parents 	439	789	179%	

In Barrancabermeja, Florencia, and Quibdó, at the end of the mathematics process, 34.5% of the students attained high scores for logical reasoning, while only 27.1% had attained that same level at the beginning of the implementation.

Also, in language, an average of 45% of the students in the three cities attained the highest score for reading comprehension, versus 42% at the start of the program.

El Líder en Mí® (The Leader in Me)

This model for leadership, based on *Franklin Covey's 7 Habits of Highly Effective People*, led to recognition by the author of 9 schools in Manizales and Medellín for excellence in implementation of the program. It involved teachers and elementary students in the development of skills and habits, thus awakening leadership at school, in families, and in the community.















		GOAL		MET	
	Secretaries of Education	7	7	100%	
	Schools	81	81	100%	
	Students	109,490	113,150	103%	
	Teachers	429	650	151%	
	Principals	81	81	100%	

Adventure with Letters!

This program was implemented for the second consecutive year in 3 new cities - Albania, Manizales, and Villavicencio – where 3 school libraries were donated and

actions were taken to help young students read. The program also complements the *Schools that Learn* project and strengthens strategies for literacy, education,

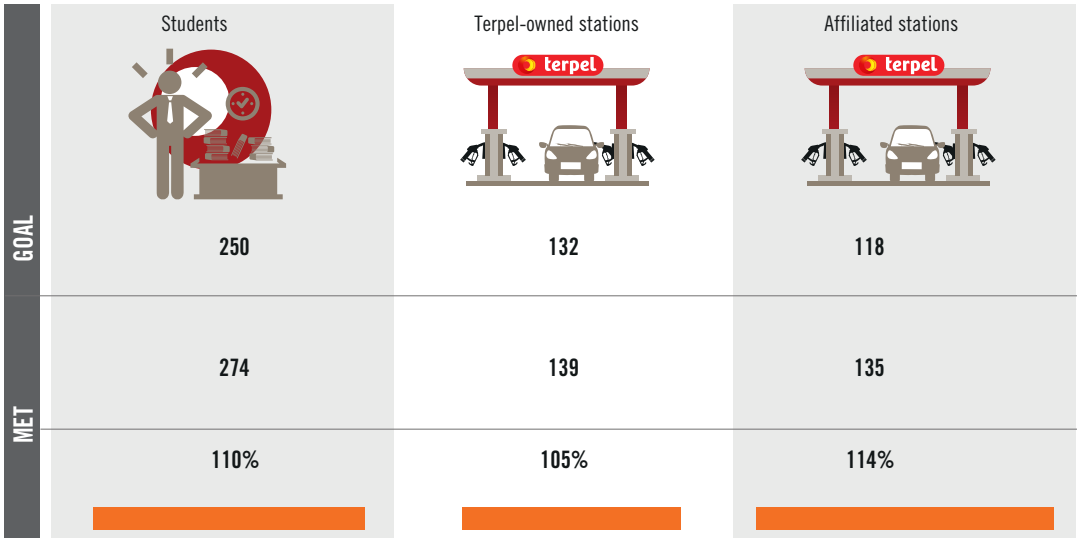
and information, thereby contributing to the economic, social, and cultural development of the communities it touches.

	Secretaries of Education	Schools	Students	Teachers	Principals	Parents	Volunteers
GOAL	 6	 6	 7,750	 150	 6	 60	 35
MET	6	6	7,807	348	8	186	80
	100%	100%	101%	232%	133%	310%	228%
							

My Future Now

This educational fund provided support for technical, technological, and vocational training for 118 new participants who are pump island attendants, Terpel store personnel, or their family members, in 74 municipalities around the country. The fund finances 80% of the cost of the education and provides psychosocial and economic support for the beneficiaries until they graduate.

10 STUDENTS
graduated
from technical,
technological,
or vocational
programs



IN COLOMBIA, THE TERPEL TEAM CONNECTS WITH NEEDS OF COLOMBIANS THROUGH *EMPLOYER SUPPORTED VOLUNTEERING*

Being dedicated to service characterizes everyone at Terpel. Around 480 volunteers and more than 7,300 beneficiaries of the *Employer Supported Volunteering* projects in 6 cities of the country worked hard at campaigns to beautify facilities, and participated in recreational, environmental, and reconciliation activities.

Terpel Makes a Contribution to Reconciliation in Colombia

The company’s outlook on the post-conflict era and reconciliation inspires diverse initiatives through the *Restoring Dreams* program. Productive projects, volunteering with former combatants, labor insertion, work practices, and support for entrepreneurialism are the fronts on which Terpel, in partnership with the Colombian Reintegration Agency, has become involved with the country’s reconciliation process in this post-conflict era.

3 PRODUCTIVE
projects sponsored in Casanare.

60 VOLUNTEERS
in the west region participated in a one-day event for peace.

12 EXHIBITORS
at the second Entrepreneurs’ Fair

Terpel is a Country Partner in the Countries where it Operates

IN ECUADOR

Terpel responded to adversity with good effect. After the earthquake in Ecuador on April 16, 2016, with a 7.8 magnitude on the Richter scale, the company expressed solidarity by donating fuel to the Colombian Air Patrol for its support work in that situation.

In addition, inside the company, managers acted quickly to confirm the location of 100% of its personnel within

12 hours after the earthquake. They also validated and verified within 48 hours that there was no contamination of natural resources or risks to the community, by checking the tanks and pipelines at service stations. And lastly, medical supplies and food were collected for Terpel service station personnel affected by the earthquake.

IN MEXICO

In alliance with the State Civil Protection office, Gazel organized an outreach to the indigenous community of San Pedro Itzicán in Poncitlán, State of Jalisco, giving a donation of gifts in December for 586 boys and girls in the community.

IN THE DOMINICAN REPUBLIC

Terpel developed *Touching Hearts*, a new initiative to enhance the impact of social assistance in this country by involving employees in volunteer projects. This social responsibility plan was initiated in strategic alliance with the Development and Relief Agency (ADRA).

As one of its first activities, the company's volunteers

participated in the physical restoration of the Los Tanquecitos School, located in the community of Caleta. After volunteer work days to paint, and install furniture and a play area, the school obtained its license to operate from the Ministry of Education, in benefit of 88 preschool and elementary school children.

IN PERU

- Terpel formed an alliance with the employment agencies of local governments and the Ministry of Labor to hire people from communities near their service stations. This strengthens the company's good neighbor practices while creating jobs, helping beneficiaries find positions at the work centers.
- The Peruvian Cancer Foundation and shelters for cancer patients received support from 20 Terpel volunteers at four activities during the year.

IN PANAMA

Terpel supported at-risk children and young people by purchasing 5,000 *Rubber Duck Adoption* certificates, equivalent in value to 150 million pesos. This initiative, developed by Aldeas Infantiles SOS in alliance with the Game Latinoamerica Duck Racing Team, raises funds in benefit of 505 children in Panama City, Colón, David, and Penonomé.

CHALLENGES 2017

Colombia Terpel Foundation

- ▶ Impact more than 290 thousand beneficiaries in 32 of the country's Departments.
- ▶ Produce benefits for 317 schools through the Terpel Foundation's programs.

Restoring Dreams program

- ▶ Continue to position Terpel as a benchmark for support for reconciliation from private enterprise.
 - ▶ Implement three new productive projects in benefit of people in the reintegration process.
 - ▶ Organize two volunteer days for reconciliation.
 - ▶ Expand entrepreneurs' fairs to all regions in Colombia.
 - ▶ Increase to 45 the number of pump island attendants hired as a result of expanding the program to victims of the conflict.
-

*At Terpel, 'Up with Colombia' means dreaming about a better country, empowering Colombian capacities, and working as a team - giving the best of every region - all in order to build a more innovative and competitive Colombia. Terpel will always be an unconditional ally, steadfast in the purpose for which it was founded:
to serve Colombians.*



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

Tel : 57(4) 313 88 99
Fax : 57(4) 313 32 25
www.deloitte.com.co

Memorando de revisión independiente

Verificación Independiente del Informe de Sostenibilidad 2016 de Terpel.

Alcance de nuestro trabajo

Hemos realizado la revisión de la adaptación de los contenidos del informe de sostenibilidad del año 2016 de Terpel a la Guía para la elaboración de Memorias de Sostenibilidad de Global Reporting Initiative (GRI-G4).

Estándares y procesos de verificación

Hemos llevado a cabo nuestro trabajo de acuerdo con la norma ISAE 3000 - *International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information* emitida por el *International Auditing and Assurance Standard Board (IAASB)* de la *International Federation of Accounts (IFAC)*.

Nuestro trabajo de revisión ha consistido en la formulación de preguntas a la Administración, así como a las diversas áreas de Terpel que han participado en la elaboración del Informe de Sostenibilidad y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Entrevistas con los colaboradores de Terpel para conocer los principios, sistemas y enfoques de gestión aplicados para elaborar el Informe.
- Análisis de los procesos para recopilar y validar los datos presentados en el informe.
- Comprobación, mediante pruebas de revisión con base en la selección de una muestra de la información cuantitativa y cualitativa correspondiente a los indicadores GRI y propios incluidos en el Informe de Sostenibilidad y su adecuada compilación a partir de los datos suministrados por las fuentes de información de Terpel.

Confirmación que el Informe de sostenibilidad ha sido preparado “de acuerdo” con el estándar GRI en su opción esencial.

Contenidos básicos generales:

Se confirmó que el Informe se ajusta a los requisitos de la opción esencial de los aspectos generales del Estándar GRI.

Contenidos básicos específicos:

Revisamos el enfoque de gestión e indicadores GRI y propios de los siguientes asuntos materiales:

Responsabilidades de la Dirección de Terpel y de Deloitte

• La preparación del Informe de Sostenibilidad 2016 de Terpel, así como el contenido del mismo, es responsabilidad de la organización la cual también es responsable de definir, adaptar y mantener los sistemas de gestión y control interno de los que se obtiene la información.

• Nuestra responsabilidad es emitir un informe independiente basado en los procedimientos aplicados en nuestra revisión.

• Este Informe ha sido preparado exclusivamente en interés de la organización de acuerdo con los términos de nuestra propuesta de servicios. No asumimos responsabilidad alguna frente a terceros diferentes a la Dirección de la empresa.

• Hemos realizado nuestro trabajo de acuerdo con las normas de independencia requeridas por el Código Ético de la International Federation of Accountants (IFAC).

• El alcance de una revisión limitada es substancialmente inferior al de una auditoría. Por lo tanto no proporcionamos opinión de

DELOITTE & TOUCHE LTDA.
Jorge Enrique Múnera D.
Socio

Bogotá, Marzo 2017

Asuntos materiales	Indicador GRI y/o Propio Terpel
Rentabilidad	<ul style="list-style-type: none"> G4 – EC1. Valor económico directo generado y distribuido.
Buen gobierno corporativo y transparencia	<ul style="list-style-type: none"> G4 - SO3. Número y % de operaciones evaluadas en riesgo de corrupción.
Relaciones y condiciones laborales justas	<ul style="list-style-type: none"> G4 – LA1. Tasa de rotación y contratación.
	<ul style="list-style-type: none"> G4 – LA6. Tasa de lesiones, enfermedades laborales, días perdidos, y absentismo
	<ul style="list-style-type: none"> G4 – LA13. Relación entre el salario base y la remuneración de hombres y mujeres
Acompañamiento a afiliados, proveedores, clientes y consumidores.	<ul style="list-style-type: none"> G4 – EC9. Porcentaje de gasto en proveedores locales.
	<ul style="list-style-type: none"> Propio. Conductores capacitados.
	<ul style="list-style-type: none"> Propio. Baños remodelados durante el periodo de reporte.
	<ul style="list-style-type: none"> G4 - PR5. resultados de las encuestas para medir la satisfacción de los clientes.
	<ul style="list-style-type: none"> Propio. Horas de formación en cada una de las escuelas Terpel.
Cambio climático: huella de carbono	<ul style="list-style-type: none"> G4- EN3. Consumo energético interno G4- EN5. Intensidad Energética
	<ul style="list-style-type: none"> G4 - EN15. Emisiones Alcance 1 G4 - EN16. Emisiones Alcance 2 G4 - EN117. Emisiones Alcance 3
Derrames y residuos	<ul style="list-style-type: none"> G4 – EN23. Residuos por tipo y método de tratamiento
	<ul style="list-style-type: none"> G4 – EN24. Derrames significativos
	<ul style="list-style-type: none"> G4 – EN29. Valor total de las sanciones por incumplimiento a leyes o reglamentos ambientales.
Educación de calidad	<ul style="list-style-type: none"> G4 – EC1. Valor económico directo generado y distribuido
	<ul style="list-style-type: none"> Propio. Número beneficiarios de los programas de educación
	<ul style="list-style-type: none"> G4 - SO1: porcentaje de operaciones donde se han implementado programas de desarrollo, evaluaciones de impacto y participación de la comunidad local.
Tecnología e innovación	<ul style="list-style-type: none"> Propio. Total EDS con nueva imagen corporativa.
Desarrollo de capital humano	<ul style="list-style-type: none"> G4 – LA9. Promedio de horas de formación por empleado
	<ul style="list-style-type: none"> Propio. Inversión en formación
	<ul style="list-style-type: none"> Propio. Vacantes ocupadas por personal interno
Respeto y promoción de los derechos humanos	<ul style="list-style-type: none"> G4-HR6: centros y proveedores significativos con un riesgo significativo de ser origen de episodios de trabajo forzoso y medidas adoptadas para contribuir con la eliminación de todas las formas de trabajo forzoso.
Otros asuntos relevantes	<ul style="list-style-type: none"> G4- EN8. Consumo de agua

Conclusiones

Como consecuencia de nuestra revisión no se ha puesto de manifiesto ningún aspecto que nos haga creer que el Informe de sostenibilidad 2016 de Terpel contiene errores significativos o no ha sido preparado "de acuerdo" con el GRI Estándar.

Observaciones principales & recomendaciones frente a principios GRI y WBCSD¹

Materialidad

✓ Observaciones

Se identificó que Terpel cuenta con una materialidad detallada que está alineada con su modelo de sostenibilidad. Este modelo de sostenibilidad asocia asuntos materiales e indicadores, estructura el informe de sostenibilidad. Lo anterior, pone en evidencia la importancia que tiene este modelo como parte fundamental de la gestión económica, ambiental y social de Terpel.

✓ Recomendaciones

Se sugiere que Terpel revise la pertinencia de convertir su modelo de sostenibilidad en su materialidad de manera que la empresa robustezca su materialidad, y la simplifique con el fin de facilitar el entendimiento para sus grupos de interés.

Compromisos y metas

✓ Observaciones

Se evidencia y resalta el ejercicio realizado por Terpel al integrar los retos de la compañía para el año 2016 tanto para la gestión de sus asuntos materiales como para los temas relacionados con sus grupos de interés.

✓ Recomendaciones

Se propone mantener esta buena práctica en futuros Informes e incluir las metas establecidas en el corto, mediano y largo plazo, tanto cualitativas como cuantitativas, que permitan medir el desempeño y avance de la organización respecto a la gestión de sostenibilidad y así hacer un balance anual sobre metas excedidas o no alcanzadas y definir planes de acción relacionados.

ANEXO 1 Declaración de independencia

Deloitte es una de las mayores empresas en la prestación de servicios profesionales en auditoría, impuestos, consultoría y asesoramiento financiero y de sostenibilidad a organizaciones públicas y privadas de diversas industrias. Con una red global de Firmas miembro en más de 185 países, Deloitte brinda sus capacidades de clase mundial y servicio de alta calidad a sus clientes. Aproximadamente 250.000 profesionales se comprometen a ser estándar de excelencia.

Confirmamos nuestra independencia de la de Terpel. Todos nuestros empleados realizan actualizaciones anuales a la Política de Ética donde puntualmente declaramos que no tenemos conflictos de interés con Terpel, sus subsidiarias y sus grupos de interés.

¹ Del inglés: "World Business Council for Sustainable Development" (Consejo Empresarial Mundial para el Desarrollo Sostenible).



GRI CONTENT INDEX ‘IN ACCORDANCE’ – CORE, G4 GUIDELINES

The Terpel Sustainability Report 2016 has been prepared in accordance with the Global Reporting Initiative's G4 Guidelines for Preparing Sustainability Reports, “in accordance” with the core option, and the content has been subject to external assurance. The GRI G4 content index presents the indicators associated with the aspects that are material for the company and its stakeholders.

GENERAL STANDARD DISCLOSURES	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
STRATEGY AND ANALYSIS			
G4-1 Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Editorial: What makes our Terpel Brand Great (Pages 4 and 5)		
G4-2 Provide a description of key impacts, risks, and opportunities.	Editorial: What makes our Terpel Brand Great (Pages 4 and 5)	Does not include key impacts and risks.	
ORGANIZATIONAL PROFILE			
G4-3 Name of the organization.	Organización Terpel S.A.		
G4-4 Primary brands, products, and services.	Terpel Creates and Distributes Value / Lines of Business (Page 12)		
G4-5 Location of the organization's headquarters.	The main offices of Organización Terpel S. A. are located in Bogotá, Colombia. Carrera 7 Número 75 --51		
G4-6 Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Terpel Publishes its Eighth Sustainability Report (Page 2)		
G4-7 Nature of ownership and legal form.	Organización Terpel S.A.		

GENERAL STANDARD DISCLOSURES	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
G4-8 Markets served: geographic breakdown, sectors served, and types of customers and beneficiaries.	<p>"Terpel Creates and Distributes Value / Lines of Business (Page 12)</p> <p>Evolution/ Memorable Experiences and Network Consolidation / Colombia Terpel continues Revolutionizing the Service Station Market (Page 16)</p> <p>Evolution / Memorable Experiences and Network Consolidation / In Ecuador, Super Terplus provides more Benefits for Customers (Page 18)</p> <p>Evolution / Memorable Experiences and Network Consolidation / In Panama, Terpel Service Stations Transform the Market (Page 19)</p> <p>Evolution / Memorable Experiences and Network Consolidation / In Peru, Terpel increased Sales of Liquid Fuel by 66% (Page 21)</p> <p>Evolution / Memorable Experiences and Network Consolidation / In Colombia, Terpel Plays an Important Role in Developing and Maturing the NGV Fuels Sector (Page 22)</p> <p>Evolution / Memorable Experiences and Network Consolidation / In Mexico, Gazel sets a Benchmark for the NGV Fuels Industry (Page 23)</p> <p>Evolution / Memorable Experiences and Network Consolidation / In Peru, Pits Program Provides Incentives for Service Station Personnel (Page 24)</p> <p>Evolution / Memorable Experiences and Network Consolidation / Lubricants with Latest-Generation, World-class Technology in Colombia, Ecuador and Panama (Page 25)</p> <p>Evolution / Memorable Experiences and Network Consolidation / Aviation Business holds Leadership in a Major way in Colombia and the Dominican Republic (Page 28)</p> <p>Evolution / Memorable Experiences and Network Consolidation / Terpel also Transports Marine Fuel in Colombia and Panama (Page 29)</p> <p>Evolution / Memorable Experiences and Network Consolidation / Industry in Colombia, Ecuador and Panama continues to Rely on Terpel (Page 30)"</p>		
G4-9 Scale of the organization: Number of employees, total number of operations, net sales or net revenues.	<p>"Terpel Creates and Distributes Value (Page 13)</p> <p>Leadership / Growth of Terpel Team/ Employment Statistics at Terpel (Page 39)"</p>		
<p>"G4-10 Number of personnel: Number of employees by type of employment contract and gender, number of employees by region and gender.</p> <p>Linkage with United Nations Global Compact 'Ten Principles'"</p>	<p>Leadership / Growth of Terpel Team/ Employment Statistics at Terpel (Page 39)</p>		
<p>"G4-11 Percentage of employees covered by collective bargaining agreements.</p> <p>Linkage with United Nations Global Compact 'Ten Principles' and linkage with the OECD Guidelines for multinational enterprises."</p>	<p>Leadership / Growth of the Terpel Team/ Full Freedom of Association for Terpel Employees (Page 47)</p>		YES
G4-12 Description of the organization's supply chain.	<p>Terpel Creates and Distributes Value / How does Terpel describe its Corporate Purpose? (Page 12)</p>		
G4-13 Significant changes during the reporting period covered by the report, including size, structure, ownership, or its supply chain.	<p>Leadership / Growth of the Terpel Team / In Peru, Terpel sets an Example as a Good Employer (Page 47)</p>		
G4-14 Description of how the precautionary approach or principle is addressed by the organization.	<p>Responsibility / Protection of the Environment / What is Terpel's Commitment to Protecting the Environment? (Page 71)</p>		
G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	<p>Global Compact Network Colombia, Enterprises for Peace</p>		

GENERAL STANDARD DISCLOSURES	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
------------------------------	--------------------	-------------------------------	--------------------

G4-16 Main associations and organizations to which the organization belongs or supports: Industry associations, and national or international advocacy organizations.

"Colombia
 Colombian Oil Association (ACP), National Business Association of Colombia (ANDI), Association of Corporate Foundations (AFE), Colombian Confederation of Non-governmental Organizations, America Network (CCONG), International Association of Students in Economic and Commercial Sciences (AIESEC), Colombian Business Council for Sustainable Development (CECODES)
 Mexico
 Mexican Natural Gas Association (AMGN), Employer's Confederation of the Mexican Republic (COPARMEX), Chamber of the Transformation Industry of Nuevo Leon (CAINTRA)
 Panama
 American Chamber of Commerce Panama (ANCHAM), International Association of Students in Economic and Commercial Sciences (AIESEC)
 Peru
 The Peruvian Services Stations Association (AGESP), the Peruvian chamber of Natural Gas Vehicles (CPGNV), Peruvian Institute of Educational Development (IPFE)"

MATERIAL ASPECTS AND BOUNDARIES

G4-17 List all entities included in the organization's consolidated financial statements. Report whether any of these entities is not covered by the report.

Terpel Publishes its Eighth Sustainability Report (Page 2)

G4-18 Process for defining the report content and the aspect boundaries.

Terpel Focuses on Sustainability / Terpel Focuses its Management on Material Aspects (Pages 6, 8 and 9)

GENERAL STANDARD DISCLOSURES	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
<p>G4-19 List of all the material Aspects identified in the process for defining report content.</p>	<p>"Terpel Focuses on Sustainability / Terpel Focuses its Management on Material Aspects / Material Aspects (Page 9) Terpel Focuses on Sustainability / Terpel's Sustainable Management Model reflects a People-focused Strategy (Page 6) Terpel Focuses on Sustainability / Terpel Focuses its Management on Material Aspects (Page 8) Terpel Creates and Distributes Value (Page 12) Evolution/ Memorable Experiences and Network Consolidation (Page 14) Evolution / Memorable Experiences and Network Consolidation / Terpel Service Station Figures for Colombia, Ecuador, Panama and Peru (Page 15) Evolution / Memorable Experiences and Network Consolidation / Terpel is a Group Project: Terpel Business Owner Network (Page 17) Evolution / Memorable Experiences and Network Consolidation / Terpel Promotes Two-way Relationships with its Partners 17) Evolution / Memorable Experiences and Network Consolidation / In Ecuador, Terpel Trained Lubricant Customers (Page 27) Evolution / Memorable Experiences and Network Consolidation / In Colombia, Terpel keeps offering Value Added (Page 31) Transparency / Good Corporate Governance (Page 33) Transparency / Good Corporate Governance /Self-regulation for Safe Investments (Page 35) Leadership / Growth of the Terpel Team (Page 38) Quality / Supplier Development (Page 61) Quality / Supplier Development / In Colombia, Terpel Develops Best Practices with its Suppliers (Page 69) Quality/Provider Development/Best Practices with Terpel Suppliers in its Countries of Operation (Page 69) Quality/ Supplier Development / Terpel Suppliers in Processes for Improvement (Page 69) Responsibility / Protection of the Environment (Page 71) Responsibility / Protection of the Environment / Terpel continues Investing in the Fight against Climate Change (Page 73) Responsibility / Protection of the Environment / NGV Fuels, an Environmentally-friendly Alternative (Page 74) Responsibility / Protection of the Environment/ Terpel Poised for Prevention (Page 76) Responsibility / Protection of the Environment / Terpel Makes Progress on Waste Management (Page 77) The Public / Community Wellbeing (Page 84)"</p>		
<p>G4-20 The Aspect Boundary for each material aspect within the organization: Relationship of each material aspect with the organization as a whole or with any of the entities that form a part of the same.</p>	<p>"The materiality analysis applies to all the countries where Terpel operates. Terpel Focuses on Sustainability / Terpel Focuses its Management on Material Aspects / Boundaries and Limits (Page 9)"</p>		
<p>G4-21 The Aspect Boundary for each material aspect outside the organization: (for each material aspect, report whether it is outside the organization.)</p>	<p>"The materiality analysis applies to all the countries where Terpel operates. Terpel Focuses on Sustainability / Terpel Focuses its Management on Material Aspects / Boundaries and Limits (Page 9)"</p>		
<p>G4-22 Effects of restatements of information provided in previous reports and the reasons for such restatements.</p>	<p>"Footnote page 5 (Page 28) Footnote page 6 (Page 30) Footnote page 18 (Page 44) Footnote page 24 (Page 53) Footnote page 37 (Page 67)"</p>		

GENERAL STANDARD DISCLOSURES	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
G4-23 Significant changes from previous reporting periods in the Scope, Aspect Boundaries, or in accounting principles.	For the 2016 report there were no significant changes relative to the scope, aspect boundaries, or accounting principles.		
STAKEHOLDER ENGAGEMENT			
G4-24 List of stakeholder groups engaged by the organization.	Terpel Focuses on Sustainability / At Terpel, People are at the Core of the Strategy (Page 8)		
G4-25 Basis for identification and selection of stakeholders with whom to engage.	Terpel Focuses on Sustainability / At Terpel, People are at the Core of the Strategy (Page 8)		
G4-26 The organization's approach to stakeholder engagement, including frequency of engagement and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	<p>"We maintain direct relations between the commercial department and affiliates and franchises through quarterly regional committees that disseminate information of interest and collect information about expectations, in order to improve the company's stakeholder engagement. Each year we organize a national tour to provide direct contact between the Vice President of Human Talent and the workers in each region. The results of these conversations are taken into account for the definition of this report's material aspects. In 2016, we began tours to visit domestic suppliers in Colombia, with the participation of 24 domestic suppliers and 164 suppliers from other areas. Terpel Focuses on Sustainability / At Terpel, People are at the Core of the Strategy (Page 8)"</p>		
G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to them.	<p>"Terpel Focuses on Sustainability / Terpel Focuses its Management on Material Aspects / Boundary Aspects and Limits (Page 9) In 2016 we continued to focus on issues raised by affiliates during engagement in 2014. Those issues are related to: price as an element of competitive strategy, communication and protocols, image, and service."</p>		

REPORT PROFILE

G4-28 Reporting period for information provided.	2016		
G4-29 Date of most recent previous report.	2015		
G4-30 Reporting cycle.	Annual		
G4-31 Contact point for questions regarding the report or its contents.	Terpel Publishes its Eighth Sustainability Report (Page 2 highlighted)		
G4-32 The "in accordance" option the organization has chosen and the GRI content index.	Terpel Publishes its Eighth Sustainability Report (Page 2)		
G4-33 The organization's current policy and practice with regard to seeking external assurance for the report.	Terpel Publishes its Eighth Sustainability Report (Page 2)		
GOVERNANCE			
G4-34 The governance structure of the organization: highest governance body, highest committees responsible for decision-making on economic, environmental and social impacts.	Transparency / Good Corporate Governance / Learn about Terpel's Governance Structure (Page 34)		
G4-35 Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Transparency / Good Corporate Governance / Learn about Terpel's Governance Structure (Page 34)		

GENERAL STANDARD DISCLOSURES	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
G4-36 Executive-level position or positions with responsibility for economic, environmental and social topics, and to whom the post holders report.	Transparency / Good Corporate Governance / Learn about Terpel's Governance Structure (Page 34)		
G4-37 Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics, and any feedback processes.	<p>"We maintain a direct relationship between the Vice President Commercial and affiliates and franchises through quarterly regional committees.</p> <p>Every year we organize a national tour to provide direct contact between the Vice President of Human Talent and the workers in each region.</p> <p>In 2016, we also began tours to visit suppliers, for engagement with these stakeholders that are highly relevant to the company."</p>		
G4-38 Composition of the highest governance body and its committees: executive or non-executive, independence, tenure on the governance body, gender, membership of under-represented social groups, and competences relating to economic, environmental, and social impacts.	<p>"Transparency/ Good Corporate Governance /Learn about Terpel's Governance Structure (Page 34)</p> <p>Transparency/Good Corporate Governance / Terpel's Board of Directors is an Example of Best Practices (Page 35)"</p>		
G4-39 Report whether the Chair of the highest governance body is also an executive officer.	The President of the Board of Directors does not have an executive position at Organización Terpel		
G4-40 Nomination and selection processes for the highest governance body and its committees.	Each member of the Board of Directors has experience and a resume demonstrating they are suitable for participation on said board. This is in addition to their contributions on economic, social, and environmental issues.		
G4-41 Processes for the highest governance body to ensure conflicts of interest are avoided.	The Good Governance Code and the Code of Conduct contain mechanisms for preventing conflicts of interest in the highest governance body. Web site: https://www.terpel.com/Plantillas/Terpel/Descargables/Codigo_de_buen_gobierno.pdf?id=201&epslanguage=en		
G4-47 Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Some of the issues discussed by the Board of Directors with respect to economic, environmental, and social impacts, risks, and opportunities are:		
G4-48 Highest committee or position that formally reviews and approves the sustainability report and ensures that all material Aspects are covered.	The sustainability report is approved by the Office of the President of Organización Terpel		

ETHICS AND INTEGRITY

G4-56 The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Transparency / Good Corporate Governance / Learn about Terpel's Governance Structure (Page 34) https://www.terpel.com/Global/Accionistas/Codigo%20de%20etica.pdf		
G4-58 Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	The organization has a webpage for confidential reporting. https://www.reportesconfidencialessterpel.com		

MATERIALITY LEVEL	SPECIFIC STANDARD DISCLOSURES: MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	INFORMATION ON MANAGEMENT FOCUS AND INDICATORS	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
I	Profitability				
		"CATEGORY: ECONOMY Aspect: Economic performance G4-EC1: Direct economic value generated and distributed."	Terpel Creates and Distributes Value (Page 13)		YES
		"TERPEL INDICATOR Sales volume"	"Terpel Creates and Distributes Value (Page 13) Evolution/ Memorable Experiences and Network Consolidation / Terpel Service Station Figures for Colombia, Ecuador, Panama and Peru (Page 15) Evolution / Memorable Experiences and Network Consolidation / Terpel's NGV Fuel figures for Colombia, Mexico and Peru (Page 22) Evolution / Memorable Experiences and Network Consolidation / Lubricants with Latest-generation, World-class Technology in Colombia, Ecuador and Panama (Page 25) Evolution / Memorable Experiences and Network Consolidation / Aviation Business holds Leadership in a Major way in Colombia and the Dominican Republic (Page 28) Evolution / Memorable Experiences and Network Consolidation / Terpel also Transports Marine Fuel in Colombia and Panama (Page 29) Evolution / Memorable Experiences and Network Consolidation / Industry in Colombia, Ecuador and Panama continues to Rely on Terpel (Page 30)"		
		"TERPEL INDICATOR Market Share"	"Evolution/ Memorable Experiences and Network Consolidation / Terpel Service Station Figures for Colombia, Ecuador, Panama and Peru (Page 15) Evolution / Memorable Experiences and Network Consolidation / Terpel's NGV Fuel figures for Colombia, Mexico and Peru (Page 22) Evolution / Memorable Experiences and Network Consolidation / Lubricants with Latest-generation, World-class Technology in Colombia, Ecuador and Panama (Page 25) Evolution / Memorable Experiences and Network Consolidation / Aviation Business holds Leadership in a Major way in Colombia and the Dominican Republic (Page 28) Evolution / Memorable Experiences and Network Consolidation / Industry in Colombia, Ecuador and Panama continues to Rely on Terpel (Page 30)"	This indicator is not reported for the Marine Business Line.	
		"TERPEL INDICATOR Sales growth"	Evolution/ Memorable Experiences and Network Consolidation / Terpel Service Station Figures for Colombia, Ecuador, Panama and Peru (Page 15)	This indicator is reported for service stations only.	

I **Good Corporate Governance and transparency**

"CATEGORY: SOCIAL PERFORMANCE
SUBCATEGORY: SOCIETY
Aspect: Anti-corruption
G4-03: Number and percentage of operations assessed for risks related to corruption and the significant risks identified."

"Transparency / Good Corporate Governance / Operations Assessed for Risks related to Corruption (Page 36)
The percentages of centers assessed are: 71% of regional offices, 13.3% of plants, and 100% of the main office. A total of 3 cases of corruption were identified, and warnings were issued to the employees involved."

YES

MATERIALITY LEVEL	SPECIFIC STANDARD DISCLOSURES: MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	INFORMATION ON MANAGEMENT FOCUS AND INDICATORS	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
I	Fair labor relations and conditions				
		"CATEGORY: ECONOMY Aspect: Market Presence G4-EC6: Proportion of senior management hired from the local community at significant locations of operation."	Leadership/ Growth of the Terpel Team / Employment Statistics at Terpel /Proportion of Senior Managements from the Local Community (Page 40)		
		"CATEGORY: SOCIAL PERFORMANCE SUBCATEGORY: LABOR PRACTICES AND DECENT WORK Aspect: Employment G4-LA1: Total number and rates of new employee hires and employee turnover by age group, gender and region. DJSI INDICATOR Talent Attraction and Retention 3.4.3 Rate for turnovers and hires "	"Leadership/ Growth of the Terpel Team / Employment Statistics at Terpel /Number of Direct Employees (Page 39) Leadership/ Growth of the Terpel Team / Employment Statistics at Terpel /Hiring and Retention Rate in Colombia (Page 42) In Colombia, new hires included 56 men under the age of 30, 65 men between the ages of 30 and 50 years, and three men older than 50 years of age. For women, new hires included 26 women under the age of 30, 16 women from 30 to 50 years of age, and no women older than 50. In terms of separations, in Colombia 25 men younger than 30 years of age, 46 men between 30 and 50 years of age, and three men older than 50 years left the company. In terms of the women who left the company, 14 were younger than 30 years of age, 19 were between the ages of 30 and 50, and none were older than 50."		YES
		"CATEGORY: SOCIAL PERFORMANCE SUBCATEGORY: LABOR PRACTICES AND DECENT WORK Aspect: Occupational Health and Safety G4-LA5: Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs."	Leadership/ Growth of the Terpel Team / Terpel works to provide Safe and Healthy Work Areas / Health and Safety Committee 2016 (Page 57)		
		"CATEGORY: SOCIAL PERFORMANCE SUBCATEGORY: LABOR PRACTICES AND DECENT WORK Aspect: Occupational Health and Safety G4-LA6: Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender."	"Leadership/ Growth of the Terpel Team / Terpel works to provide Safe and Healthy Work Areas / Figures on Practices to Protect Health and Safety (Page 55, 56 and 57) In Colombia, the three most common occupational illnesses reported are back pain, rotator cuff syndrome, and spinal disc problems. The most commonly reported causes of work-related accidents are poor posture when lifting loads, and incorrect handling of fuel hoses."		YES

MATERIALITY LEVEL	SPECIFIC STANDARD DISCLOSURES: MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	INFORMATION ON MANAGEMENT FOCUS AND INDICATORS	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
		<p>"CATEGORY: SOCIAL PERFORMANCE SUBCATEGORY: LABOR PRACTICES AND DECENT WORK Aspect: Equal Remuneration for Women and Men G4-LA13: Ratio of basic salary and remuneration of women to men by significant locations of operation."</p>	<p>"Average salary of executive-level women (base salary only): President, Vice President, Country Managers and Managers 25,677,479 pesos Average salary of executive-level men (base salary only): President, Vice President, Country Managers and Managers 28,398,950 pesos Average salary for managerial-level women (base salary only): Managers 12,727,027 pesos Average salary for managerial-level men (base salary only): Managers 12,810,459 pesos Average salary for non-managerial-level women (base salary only): Leaders, analysts, administrators and supervisors, technicians and assistants, and operators 5,484,308 pesos Average salary for non-managerial level men (base salary only): Leaders, analysts, administrators and supervisors, technicians and assistants, and operators 5,959,199 pesos "</p>	This indicator is reported for Colombia only.	YES
		<p>"DJSI INDICATOR Indicators for labor practice and human rights 3.2.1 Diversity"</p>	<p>"Eight women in senior management (maximum two levels from the president): President, Vice President, Country managers, and managers 26 women in entry level management positions: Managers 422 women in positions below supervisory levels: Leaders, analysts, administrators and supervisors, technicians and assistants, and operators 2.62% of women in senior management (maximum two levels from the president): President, Vice President, Country managers, and managers 2.57% of women in entry level management positions: Managers 32.54% of women below supervisory levels: Leaders, analysts, administrators and supervisors, technicians and assistants, and operators"</p>	The scope for this indicator is Colombia	YES
I	Safe Operating Conditions				
		<p>"TERPEL INDICATOR Advances in Reliable Service Station Program Number of Service Stations involved in the program "</p>	<p>Responsibility/ Protection of the Environment / Reliable Service Stations: the Safest Network in Colombia (Page 72)</p>	The scope for this indicator is Colombia	

MATERIALITY LEVEL	SPECIFIC STANDARD DISCLOSURES: MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	INFORMATION ON MANAGEMENT FOCUS AND INDICATORS	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
I	Accompaniment for affiliates, suppliers, customers, and consumers				
	"CATEGORY: SOCIAL PERFORMANCE SUBCATEGORY: PRODUCT RESPONSIBILITY Aspect: Product and Service Labeling G4-PR5: Results of customer satisfaction surveys."		"Evolution / Memorable Experiences and Network Consolidation / Service Station Customer Satisfaction in Colombia (Page 16) Evolution / Memorable Experiences and Network Consolidation /Service Station Customer Satisfaction in Ecuador (Page 19) Evolution / Memorable Experiences and Network Consolidation / Service Station Customer Satisfaction in Panama (Page 20) Evolution / Memorable Experiences and Network Consolidation / Service Station Customer Satisfaction in Peru (Page 21) Evolution / Memorable Experiences and Network Consolidation / NGV Fuels Customer Satisfaction in Mexico (Page 23) Evolution / Memorable Experiences and Network Consolidation / Lubricants Customer Satisfaction in Colombia (Page 27) Evolution / Memorable Experiences and Network Consolidation / Aviation Fuel Customer Satisfaction in Colombia (Page 28) Evolution / Memorable Experiences and Network Consolidation / Aviation Customer Satisfaction in the Dominican Republic (Page 29) Evolution / Memorable Experiences and Network Consolidation / Marine Customer Satisfaction in Colombia (Page 30) Evolution / Memorable Experiences and Network Consolidation / Industry Customer Satisfaction in Colombia (Page 31)"		YES
	"CATEGORY: ECONOMY Aspect: Procurement Practices G4-EC9: Proportion of spending on local suppliers at significant locations of operation."		"Quality/ Supplier Development/ Terpel Presents its Local Purchasing (Page 62) At Terpel we define local suppliers as those who develop their productive activity in the countries where Terpel operates, generating regional and national development."		YES
	"TERPEL INDICATOR Environmental Evaluation of Contractors Number of Contractors evaluation according to Environmental Criteria "		Quality/ Supplier Development/ Terpel Suppliers in Process of Improvement (Page 70)		

MATERIALITY LEVEL	SPECIFIC STANDARD DISCLOSURES: MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	INFORMATION ON MANAGEMENT FOCUS AND INDICATORS	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
		"TERPEL INDICATOR Terpel Schools Hours of training at each Terpel School"	"Leadership/ Growth of the Terpel Team / Terpel is Committed to People's Well-rounded Growth / Pump Island School (Page 53) Leadership/ Growth of the Terpel Team / Terpel is Committed to People's Well-rounded Growth / Administrators School (Page 53) Leadership / Growth of the Terpel Team / Terpel is Committed to People's Well-rounded Growth / Aviation School (Page 53) Leadership/ Growth of the Terpel Team / Terpel is Committed to People's Well-rounded Growth / Industry School (Page 54)"	The scope of these indicators is Colombia. Some exceptions: Aviation School includes the Dominican Republic, Pump Island School includes Ecuador and Panama, and the Administrators School includes Ecuador and Panama.	YES
		"TERPEL INDICATOR Advances in Reliable Service Station Program Number of Service Stations involved in the Program"	Responsibility/ Protection of the Environment / Reliable Service Stations: the Safest Network in Colombia (Page 72)	The scope for this indicator is Colombia	
		"TERPEL INDICATOR The number of drivers trained"	"Evolution / Memorable Experiences and Network Consolidation / In Colombia, Terpel keeps offering Value Added (Page 31) Supplier Development/ In Colombia, Terpel Develops Best Practices with its Suppliers (Page 69)"		YES
		"TERPEL INDICATOR Bathrooms remodeled, number"	Evolution/ Memorable Experiences and Network Consolidation / Colombia Terpel continues Revolutionizing the Service Station Market (Page 16)		YES
		"TERPEL INDICATOR Business people who form a part of the Terpel Business Owner Network, Number "	Evolution / Memorable Experiences and Network Consolidation / Terpel is a Group Project: Terpel Business Owner Network (Page 17)		YES
I	Climate Change: carbon footprint				
		"CATEGORY: ENVIRONMENTAL Aspect: Energy G4-EN3: Energy consumption within the organization."	"Responsibility/ Protection of the Environment / Learn about Terpel 's Energy Consumption (Page 74 and 75) In 2016 energy consumption by type of fuel was: Colombia: Gas - oil (electric power generation): 2,084.056524 GJ Gas - oil (mobile sources): 528,770.60676 GJ gasoline (mobile sources): 17,737.628702 GJ Mobile Sources JET A1: 11,422.524744 GJ Ecuador: Gasoline (mobile sources): 995 GJ Panama: Gasoline (mobile sources): 15,289 GJ"	Information not available by type of fuel for the operations in Mexico, Peru, and the Dominican Republic.	YES
		"CATEGORY: ENVIRONMENTAL Aspect: Energy G4-EN5: Energy intensity."	Responsibility/ Protection of the Environment /Learn about Terpel 's Energy Consumption (Page 75)		YES

MATERIALITY LEVEL	SPECIFIC STANDARD DISCLOSURES: MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	INFORMATION ON MANAGEMENT FOCUS AND INDICATORS	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
		"CATEGORY: ENVIRONMENTAL Aspect: Emissions G4-EN15: Direct greenhouse gas emissions (Scope 1)."	Responsibility/ Protection of the Environment / Terpel Steadfast in the Fight against Climate Change (Page 73)	The scope for this indicator is Colombia	YES
		"CATEGORY: ENVIRONMENTAL Aspect: Emissions G4-EN16: Energy indirect greenhouse gas emissions (Scope 2)."	Responsibility/ Protection of the Environment / Terpel Steadfast in the Fight against Climate Change (Page 73)	The scope for this indicator is Colombia	YES
		"CATEGORY: ENVIRONMENTAL Aspect: Emissions G4-EN17: Other indirect greenhouse gas emissions (Scope 3)."	Responsibility/ Protection of the Environment / Terpel Steadfast in the Fight against Climate Change (Page 73)	The scope for this indicator is Colombia	YES
I	Spills and waste products				
		"CATEGORY: ENVIRONMENTAL Aspect: Effluents and Waste G4-EN23: Total weight of waste by type and disposal method."	Responsibility/ Protection of the Environment / Terpel Makes Progress on Waste Management (Page 77 - 81)		YES
		"CATEGORY: ENVIRONMENTAL Aspect: Effluents and Waste G4-EN24: Total number and volume of significant spills."	Responsibility/ Protection of the Environment / Terpel Poised for Prevention (Page 76)	The scope of this indicator is Colombia, the Dominican Republic, and Panama	YES
		"CATEGORY: ENVIRONMENTAL Aspect: Compliance G4-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations."	During 2016, Organización Terpel received no significant environmental sanctions of more than USD\$10,000. Most of the sanctions were due to: improper garbage disposal, delays in price changes, and delays in permits.		YES
		"CATEGORY: ENVIRONMENTAL Aspect: Overall G4-EN31: Total environmental protection expenditures and investments by type."	Responsibility/ Protection of the Environment / Terpel Presents its Investments in the Environment (Page 82)		
		"TERPEL INDICATOR Number of spill kits delivered. "	In 2016 we did not deliver any spill kits.		
I	Quality Education				
		"CATEGORY: ECONOMY Aspect: Economic performance G4-EC1: Direct economic value generated and distributed."	"Terpel Creates and Distributes Value (Page 13) Transparency / Community Wellbeing / Terpel Creates Value through Social Initiatives (Page 85)"	The scope of the information presented in Community Well-being is Colombia	

MATERIALITY LEVEL	SPECIFIC STANDARD DISCLOSURES: MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	INFORMATION ON MANAGEMENT FOCUS AND INDICATORS	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
		"CATEGORY: SOCIAL PERFORMANCE SUBCATEGORY: SOCIETY Aspect: Local Communities G4-S01: Percentage of operations with implemented local community engagement, impact assessments, and development programs."	"One hundred percent of Organización Terpel's operations in Colombia have implemented development programs. These programs cover 32 Colombian Departments and 120 municipalities. Of a total of 29 operations where community programs are developed, impact assessments have been done for two of them, representing 6.9% of the operations. With respect to measuring impact see the following information: Transparency / Community Wellbeing / Schools that Learn (Page 87) Transparency / Community Wellbeing / Terpel, an Ally that creates Social Value in Other Countries where it Operates (Page 90)"		YES
		"TERPEL INDICATOR Terpel Foundation Number of beneficiaries of education programs"	Transparency / Community Wellbeing / In Colombia, Terpel Foundation Partners in Favor of Quality Education (Page 86)	The scope for this indicator is Colombia	YES
		"TERPEL INDICATOR Volunteerism Number of beneficiaries"	Transparency / Community Wellbeing / In Colombia, the Terpel Team Connects with Needs of Colombians through Employer Supported Volunteering (Page 89)	The scope for this indicator is Colombia	
		"TERPEL INDICATOR Volunteerism Number of Days"	"In 2016, nine volunteer days were organized in 6 of the country's cities. Transparency / Community Wellbeing / Terpel, an Ally that creates Social Value in Other Countries where it Operates (Page 90)"		
I	Reconciliation				
		"TERPEL INDICATOR Reintegration Number of people hired by the organization"	In 2016, twenty-six people in the process of reintegration were hired.	The scope of this indicator is Colombia.	
II	Technology and Innovation				
		"TERPEL INDICATOR Image Number of service stations with new image "	"Evolution/ Memorable Experiences and Network Consolidation / In Colombia, Terpel continues Revolutionizing the Service Station Market (Page 16) Evolution / Memorable Experiences and Network Consolidation / In Panama, Terpel Service Stations Transform the Market (Page 19) "		YES
		"TERPEL INDICATOR Complementary Businesses Number of Service Stations that have Complementary Lines of Business "	"Evolution/ Memorable Experiences and Network Consolidation / In Colombia, Terpel continues Revolutionizing the Service Station Market (Page 16) Evolution / Memorable Experiences and Network Consolidation / In Panama, Terpel Service Stations transform the Market (Page 19). There are 5 convenience stores in Ecuador. In Peru, Terpel has 6 convenience stores, one more than in 2015."		
		"TERPEL INDICATOR Product innovation Number of products certified"	Evolution / Memorable Experiences and Network Consolidation / Terpel Lubricants are a product of Innovation (Page 26)		

MATERIALITY LEVEL	SPECIFIC STANDARD DISCLOSURES: MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	INFORMATION ON MANAGEMENT FOCUS AND INDICATORS	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
		"TERPEL INDICATOR Product innovation Number of lubricants with environmental advantages"	Terpel Maxter 15W40 Progresia and Terpel Maxter 15W40 Avanzado; Terpel Celerity Bioantihumo, Terpel Oiltec 10W40 Titanio, Terpel Oiltec 20W50 Titanio, Tergas 10W40, Terpel Oiltec 5W40 Sintético, Terpel Celerity 10W40 Sintético.		
II Development of Human Capital					
		"CATEGORY: SOCIAL PERFORMANCE SUBCATEGORY: LABOR PRACTICES AND DECENT WORK Aspect: Training and Education G4-LA9: Average hours of training per year per employee by gender, and by employee category."	Leadership/ Growth of the Terpel Team / Terpel is Committed to People's Well-rounded Growth (Page 48, 49, and 50)		YES
		"TERPEL INDICATOR Investment in training"	Leadership/ Growth of the Terpel Team / Terpel is Committed to People's Well-rounded Growth (Page 48)		YES
		"TERPEL INDICATOR Vacancies filled internally, Number "	Leadership/ Growth of the Terpel Team / Employment Statistics at Terpel /Vacant Positions filled Internally (Page 46)		YES
II Biodiversity					
		"CATEGORY: ENVIRONMENTAL Aspect: Biodiversity G4-EN1: Operational sites owned, leased, managed in, adjacent to, containing, or located in protected areas and areas of high biodiversity value outside protected areas."	Galapa, Atlántico. The Baranoa plant is located in front of the Megua Bio-theme Park. Fifty (50) hectares were reforested near the Terpel plant with the tree species Quickstick (Gliricidia sepium) and White Manjack (Cordia dentata) in mid-2014.	The scope of this indicator is Colombia, and does not report the surface area of the operations in square kilometers.	
III Respect for and Promotion of Human Rights					
		"CATEGORY: SOCIAL PERFORMANCE SUBCATEGORY: HUMAN RIGHTS Aspect: Freedom of Association and Collective Bargaining G4-HR4: Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights."	"We extend our human rights policy to cover all our suppliers. During 2016 we engaged in an exercise to establish human rights due diligence. A preliminary diagnosis sought to learn of any significant risks or violations by the company of freedom of association and the right to collective bargaining, and about the measures the company adopted to defend those rights. Terpel Focuses on Sustainability / Respect for Human Rights is part of the Foundation for Terpel's Work/ Terpel moves ahead with Reestablishing Human Rights Due Diligence (Page 11)"		

MATERIALITY LEVEL	SPECIFIC STANDARD DISCLOSURES: MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	INFORMATION ON MANAGEMENT FOCUS AND INDICATORS	RESPONSE/ LOCATION	COMMENTS: SCOPE AND OMISSIONS	EXTERNAL ASSURANCE
		<p>"CATEGORY: SOCIAL PERFORMANCE SUBCATEGORY: HUMAN RIGHTS Aspect: Child Labor G4-HR5: Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor."</p>	<p>"We extend our human rights policy to cover all our suppliers. During 2016 we engaged in an exercise to establish human rights due diligence. A preliminary diagnosis sought to learn of any significant risks or violations by the company of incidents of child labor, and about the measures the company has taken to defend these rights. Terpel Focuses on Sustainability / Respect for Human Rights is part of the Foundation for Terpel's Work/ Terpel moves ahead with Reestablishing Human Rights Due Diligence (Page 11)"</p>		
		<p>"CATEGORY: SOCIAL PERFORMANCE SUBCATEGORY: HUMAN RIGHTS Aspect: Forced or Compulsory Labor G4-HR6: Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor."</p>	<p>"We extend our human rights policy to cover all our suppliers. During 2016 we engaged in an exercise to establish human rights due diligence. A preliminary diagnosis sought to learn of any significant risks or violations by the company of incidents of forced or compulsory labor, and about the measures the company has taken to defend people's rights. Terpel Focuses on Sustainability / Respect for Human Rights is part of the Foundation for Terpel's Work/ Terpel moves ahead with Reestablishing Human Rights Due Diligence (Page 11)"</p>		YES
Other Relevant Aspects					
		<p>"CATEGORY: ENVIRONMENTAL Aspect: Water G4-EN8: Total water withdrawal by source."</p>	<p>Responsibility/ Protection of the Environment / Water, a Resource Terpel Monitors (Page 81)</p>	<p>Terpel is not a major consumer of this resource. Its water comes from the municipal water supply or from other companies.</p>	YES

TERPEL EXECUTIVE COMMITTEE:

Sylvia Escovar Gómez, **PRESIDENT.**
 Daniel Perea Villa, **VP CORPORATE AND LEGAL AFFAIRS.**
 Kenneth Alexander Siefken Consuegra, **VP MARKETING.**
 Tony Quintero Mejía, **VP COMMERCIAL FUELS.**
 Juan Pablo Giraldo Bejarano, **VP LUBRICANTS.**
 José Carlos Barreto Barrios, **VP OPERATIONS AND LOGISTICS.**
 María Mercedes Carrasquilla Barrera, **VP HUMAN RESOURCES AND ADMINISTRATION.**
 Óscar Andrés Bravo Restrepo, **VP CORPORATE FINANCE.**

SPECIAL THANKS TO THE COUNTRY MANAGERS AND THEIR TEAMS:

Fabio Castro, **GENERAL MANAGER ECUADOR.** Felipe Echavarría, **MANAGING DIRECTOR MEXICO.** Gustavo Rodríguez, **GENERAL MANAGER PANAMA.**
 Edgardo Escobar Ochoa, **GENERAL MANAGER PERU.** Johan Darío Ortiz, **INTERIM MANAGER FOR THE DOMINICAN REPUBLIC.**

REPORT COORDINATION:

Andrea Cheer Leyva: **CORPORATE AFFAIRS DIRECTOR.**
 Tatiana Orjuela Cabrera, **HEAD OF CORPORATE RESPONSIBILITY.** Desarrollo Visible, **EXTERNAL CONSULTANT.**
 Deloitte & Touche Ltda., **INDEPENDENT AUDITOR.** Typo Diseño Gráfico Ltda., **CONCEPT AND GRAPHIC DESIGN.** PHOTOGRAPHY: Terpel archives.



Red Pacto Global
Colombia

This is Terpel's Sustainability Report 2016, prepared in accordance with the Core Option of the G4 version of the Global Reporting Initiative (GRI-G4). To see the complete version of the report, go to: <https://www.terpel.com/Global/Sostenibilidad/rs-ot-2016.pdf>



ROBECOSAM
Sustainability Award
Bronze Class 2017

Terpel was included in the RobecoSAM Sustainability Yearbook 2017, receiving the Bronze Class distinction and recognized as a RobecoSAM Industry Mover, based on its outstanding economic, social, and environmental performance.



ROBECOSAM
Sustainability Award
Industry Mover 2017

Since 2011 Terpel is a signatory of the United Nations Global Compact and is committed to its ten principles.
 April 2017
 Bogotá D. C. - Colombia



Carrera 7 # 75 - 51
 Edificio Corporativo
 Bogotá Colombia
www.terpel.com



Intellectual Property Rights and Copyright: The Company has fulfilled its responsibilities pursuant to Law 603 of July 2000, assuring that "all use of intellectual property is in accordance with current legislation."

This booklet has been made with 100% eco-friendly paper, and is ICONTEC certified after an audit to assess compliance with strict environmental controls during its entire productive process and lifecycle.

The following fonts are used in this report: Publico Headline, Publico Text, Trade Gothic.