COMMUNICATION ON PROGRESS IPIRANGA 2016



Contents

Ipiranga's Profile

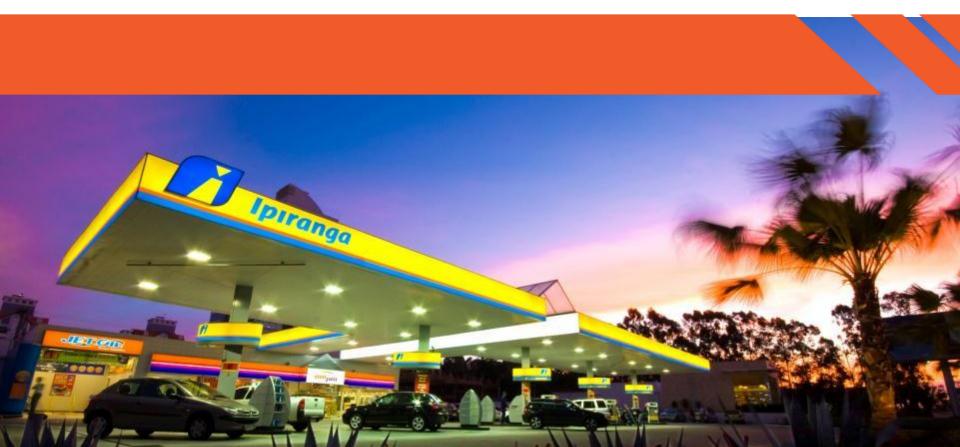
The 10 Principles of the Global Compact

Initiatives

Credits



Ipiranga's Profile



Ipiranga is the largest private fuel distribution network in Brazil, with 7,394* service stations geared to meet the needs of its clients, ranging from fuels and lubricants to convenience services. The am/pm chain already has 2,007 stores, including 602 am/pm bakeries and 308 Beer Caves, a differentiated purchase experience for domestic and imported beers ready for the clients to take home. The Jet Oil services franchise, specialized in oil change services at Ipiranga service stations, has 1,511 units throughout Brazil and is already the largest oil change chain in the country.

Its "Complete Place" concept was created to communicate the company's business strategy, based on the supply of a wider range of products, services and convenience items. Clients now have more reasons to frequent the stations, using the services and consuming their products conveniently and quickly.

The Eco-Efficient Service Station project, whose principle is the efficient management of energy, water, waste and materials right from the start of the construction stage through to the operating phase, is continuously growing. There are now 1,179 units with this profile in operation throughout the country.

Ipiranga is a part of the Ultra group, a multi-business company operating in the retail sector and specialized distribution through Ipiranga, Ultragaz and Extrafarma; in the industry of chemical specialties with Oxiteno; and the storage segment for bulk liquids through Ultracargo.

The quest for sustainable development is an inherent part of the Company's strategy. In this Communication on Progress you will find information about Ipiranga's actions related to the UN's 10 Global Compact Principles.

Data from the third quarter 2016

The 10 Principles of the Global Compact

The 10 Principles of the Global Compact

HUMAN RIGHTS





ENVIRONMENT





LABOR RIGHTS











CORRUPTION



Signatory of the UN's Global Compact since 2012, Ipiranga has voluntarily undertaken to adopt the principles of the Compact in its business practices.

Initiatives

Page	Iniciatives Related Global Compact's Principles									Principle 1		
9	Corporate Governance	1	2	3	4	5	6				10	Respect and support the protection of internationally proclaimed
11	Institutional Policies	1	2	3	4	5	6	7	8	9	10	human rights in its area of influence
13	Quality of Life Program – Viva Mais	1	2				6					Principle 2 Ensure the company is not
16	Social Responsibility Programs	1	2		4	5	6		8			complicit in human rights abuses
20	On the Right Track Pact (Pacto na Mão Certa)	1	2		4	5						Principle 3 Support the freedom of
22	Health on the Highway Program (Programa Saúde na Estrada)	1	2		4	5	6					association and the effective recognition of the right to collective bargaining
24	Cinema on the Highway (Cinema na Estrada)	1	2				6					Principle 4
26	Recruitment and Selection	1	2	3	4	5	6				10	Eliminate all forms of forced and compulsory labor
28	Ipiranga University (Universidade Ipiranga)	1	2	3	4	5	6	7	8	9	10	Principle 5
30	Communication Campaign	1	2	3	4	5	6	7	8	9	10	Erradicat effectively all forms of child labor in its production chains
32	SuperAction Program (Programa SuperAção)							7	8	9		Principle 6
34	Ipiranga Committed Supplier Program (Programa Fornecedor Comprometido Ipiranga)	1	2	3	4	5	6	7	8	9	10	Stimulate practices that eliminate any type of workplace discrimination
36	Client relations	1	2								10	Principle 7
38	Eco-efficient Service Station (Posto Ecoeficiente)							7	8	9		Assume a precautionary approach to environmental challenges
41	Zero Carbon Program (Programa Carbono Zero)							7	8	9		Principle 8
43	SIGA+	1	2		4	5	6	7	8	9	10	Develop initiatives and practices to promote and
45	Security Program Ipiranga (Programa de Segurança)	1	2		4							disseminate environmental responsibility
47	Ipiranga-BMW Partnership							7	8	9		Principle 9
49	Clean Point (Ponto Limpo Ipiranga)						6	7	8	9		Promote the development and diffusion of environmentally friendly
52	Play Clean Institute (Instituto Jogue Limpo)							7	8	9		technologies
54	Eco-efficient Oil Exchange (Troca ecoeficiente)							7	8	9		Principle 10
56	Fuel Quality Control Program (Programa de Controle da Qualidade do Combustível)	1	2					7	8		10	Fight all forms of corruption, including extortion and bribery
58	Ipiranga at Rio Oil&Gas 2016							7	8	9		

Corporate Governance

Ipiranga's performance is characterized by a commitment to good governance practices and a solid financial position.

The company is part of the Ultrapar group, whose shares are listed on the BM&FBOVESPA and the New York Stock Exchange (NYSE) and, in 2011, joined the BM&FBOVESPA's Novo Mercado.

The following actions from 2016 deserve mention:

- Ethics and Compliance Program training sessions;
- Corporate Antitrust Policy, now featuring additional guidelines in the Code of Ethics as well as antitrust legislation;
- Corporate Conflicts of Interest Policy, which clarifies and offers guidance on how to proceed in situations - real or potential - of conflicts of interest.

Such policies are directed to Ultra's in-house public, controlling shareholders, managers, partners, third parties and partners.

All these actions reaffirm the commitment to transparency and ethics, consolidating best practices and Corporate Governance guidelines.

Principles involved

3 4 5 6

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

Institutional Policies

Ipiranga's commitment is amply demonstrated through the dissemination of its Institutional Policies.

For the in-house audience, disclosure is accomplished through internal communications media, training sessions and its standards and policies system. For the outside public, the policies are available on the company's website (www.ipiranga.com.br/politicas) and attached to all new contracts that are signed.

In 2016, Ipiranga implemented a new Policy aimed at the strategy and direction of its private social investments — such as activities in the environs of its facilities and the focus on encouraging quality education, sports, culture and environmental conservation.

In addition, two new policies were implemented: Corporate Fair Competition and Corporate Conflicts of Interest, cited above.

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of

Principle 2

Ensure the company is not

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

Principles involved

Quality of Life Program Viva Mais



Ipiranga pays special attention in relation to the promotion of the good health, well-being and quality of life of its teams. To this end, it has established the Viva Mais (Live Longer Program), whose actions are aimed to help its professionals and family members. In addition to a complete Health Plan, extended to dependents, the company offers:

- A Medical Control and Occupational Health Program, involving a wide number of occupational preventive tests;
- Prevention of breast cancer, gynecological, prostate, lung and intestine exams;
- Free vaccination campaigns for employees and subsidized for dependents;
- Nutrition education program;
- Anti-Smoking Program;
- Monitoring of employees exposed to health risks or with serious diseases, involving: hospital and home care for severe cases;
- Healthy eating campaign;
- Alcohol and drug policy;
- Full coverage in cases of drug addiction and AIDS;

Principles involved

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

- Stimulating physical activity, organizing running groups, having its own gym in the Ipiranga building in Rio de Janeiro and São Paulo and encouraging the practice of exercise in other locations;
- Awareness-raising activities about the importance of physical activities for the control and treatment of diseases on dates such as: World Asthma Combat Day, National Day Against Cholesterol, World Heart Day, World and National Osteoporosis and Rheumatism Day, National and World Diabetes Day.

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

ight all forms of corruption, including extortion and bribery

Social Responsibility Programs



Ipiranga believes that the educational process represents the basis for its social investments, designed to promote inclusion, local development and benefiting the communities to which it relates to. With involvement and partnerships in the social programs of its clients, Ipiranga also strengthens its relationships with this group.

One of its major actions is the Ipiranga Volunteer Program. The company contributes to important social causes, mobilizing employee volunteers to work in schools and institutions in the vicinity of its facilities. At the same time it contributes to the development of the volunteers' skills and professional values.

As part of this program, an Internal Volunteering Week is organized in Rio de Janeiro, São Paulo and Porto Alegre. In 2016, the participation of volunteers rose 98% and more than 830 children and teenagers were helped. The actions taken in the Week are:

- The Benefits of Staying in School Program, which seeks to combat truancy and demonstrates the benefits of school studies to students through recreational activities; it is run in partnership with the Junior Achievement organization;
- Reading Wheel, which encourages the habit of reading as of early childhood in the schools and institutions in the vicinity of its units;

Principles involved

2 4 5 6

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

- Lecture on Professions in order to provide new career possibilities for young people;
- The Connected with Tomorrow Program, to train young people to enter the Job Market.

In 2016, Ipiranga also resumed the Shadow Entrepreneur Program in partnership with Junior Achievement. This action arouses the entrepreneurial spirit in young students, stimulating their personal and professional development, offering information on how a company operates. Through the program, students maintain contact with the work routine of a professional and receive insights into what skills and knowledge are needed for a successful future.

The Toy Workshop was a new project introduced this year through the Volunteers Program. With the participation of volunteer employees, recycled toys were produced in partnership with Asta, an institution that stimulates social and economic inclusion of women as craftspersons. To expand the scope of the action, a video encouraging the production of toys was released to the entire company.

Another Ipiranga Social Responsibility initiative is the Integrating Art and Life Project. Created in 2015 through the partnership with the National Sports Association (ANE – in Portuguese) and counterparty funding from the BNDES, the project seeks to promote human development through culture and sport, and to offer new opportunities for young people involved in extracurricular school activities.

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

The project operates in four core groups in the vicinity of the Ipiranga operating units: Paulínia/SP, Canoas/RS, São Caetano do Sul/SP and Betim/MG. And counts on the participation of about 840 children from municipal school sports workshops in dance, judo, volleyball and indoor soccer.

In this project, dance and sport act as primary tools for social inclusion, improving self-esteem and the quality of life of young people.

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

ight all forms of corruption, including extortion and bribery

On the Right Track Pact

(Pacto na Mão Certa)



Launched by Childhood Brasil, the On the Right Track Pact (Pacto na Mão Certa) program is designed to promote actions to end the sexual exploitation of children and teenagers on Brazilian highways.

Ipiranga has been a partner of the program since 2012 through Tropical Transportes. However, in 2016 the company increased its actions by formally joining the On the Right Track Pact through the Corporate Pact against the sexual exploitation of children and teenagers on Brazilian highways (Pacto Empresarial contra a exploração sexual de crianças e adolescentes nas rodovias brasileiras), reinforcing its commitment to the Human Rights.

To grow awareness of truck drivers on the topic and express its position lpiranga carries out actions in Health on the Highway (Saúde na Estrada) events and distributes educational materials. In addition, the Human Rights Hotline number (Disque Direitos Humanos), or Dial 100 program, is announced at the radio stations at Ipiranga's Highway Service Stations. It is a protection service for children and teenagers focused on sexual violence.

On November 22, Childhood Brasil hosted an event to celebrate the 10 years of action of the On the Right Track Pact and results such as the sensitization of over one million truck drivers thoughout Brazil. In the ocasion, Ipiranga received a certificate for the signing of the Pact.



Principles involved

. .

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

Health on the Highway Program

(Programa Saúde na Estrada)



The Health on the Highway program (Saúde na Estrada) has crisscrossed the roads of Brazil providing significant improvement in truck drivers' safety and quality of life. Ipiranga's actions include free clinical examinations for drivers including exams for blood glucose, blood pressure, visual acuity, Body Mass Index (BMI) and vaccinations. Participants also receive information about Sexually Transmitted Diseases (STDs) and dengue fever.

In order to raise awareness and mobilize drivers against the sexual exploitation of children and teenagers on the country's roads, the Health on the Highway project discloses awareness materials produced by the On the Right Track Pact (Pacto na Mão Certa) program.

Health on the Highway has the support of Municipal and State Health Secretariats, the Ministry of Health, universities, the Federal Highway and State Police forces. It is carried out exclusively at Ipiranga's Rodo Rede chain of service stations, specialists in serving highway travelers with special services for truck drivers.

In 2016, the program visited the states of Rio de Janeiro, Espírito Santo, Bahia, Ceará, Piauí, Maranhão, Pará, Tocantins, Goiás, Minas Gerais, Rondônia, Mato Grosso, Goiânia, São Paulo and Paraná. The Health on the Highway program has existed for nine years and has assisted more than 390,000 people.

Principles involved													
1	2		4	5	6								

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

Cinema on the Highway

(Cinema na Estrada)



A new initiative was launched in 2016, the Cinema on the Highway (Cinema na Estrada), which crossed the South and Southeast regions of the country from July to October.

The project's first season sought to bring entertainment, fun and cultural inclusion to truck drivers and to the populations living in the environs of Rodo Rede's service stations.

The trailer truck is transformed into a 70-seat movie theater and the am/pm candy store distributes free popcorn and soft drinks to the patrons. In addition, participants gain 300 Km upon joining the company's Miles of Advantages (Km de Vantagens) loyalty program.

The Cinema on the Highway program attracted over 7,000 people in 217 film sessions projected in 30 municipalities. This initiative strengthens Ipiranga's differentiation strategy: to offer consumers an increasingly more complete service station experience.

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

including extortion and bribery

Principles involved

Recruitment and Selection

In line with its Code of Ethics, Ipiranga reaffirms its respect to the diversity of ethnic, cultural, social, physical and other conditions and does not tolerate any discriminatory practices in its recruitment and selection processes. And furthermore, it neither allows nor condones child labor or any forced or degrading labor practices.

Among other awards, Ipiranga was recognized as the Company of the Year and was among the Best Companies in Personnel Management compiled by Gestão RH Magazine.

Principle 1

Respect and support the protection of internationally proclaimed

Principle 2

Ensure the company is not

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

including extortion and bribery

Principles involved

10

Ipiranga University

(Universidade Ipiranga)



Ipiranga has always supported and stressed the importance of training its employees as the underpinning for the growth of the entire organization. In order to achieve the high degree of expertise Ipiranga implemented in 2014 the Ipiranga University.

To provide forms of self-development and continuous learning, the University runs different distance learning programs.

In 2016, the training program was expanded and a mobile application for all employees and trainees was developed. The app, which offers video lessons, articles and technical content, has become a strategic tool for self-development, qualification and for the education of the company's workforce.

Principles involved

nvolved

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

Communication Campaign



In 2016, Ipiranga encouraged engagement in sustainability on the part of its internal and external stakeholders.

For its resellers, the company launched the campaign of 10 GOOD SERVICE STATION INITIATIVES, which stimulates the stations to spread good deeds and practices to surroundings communities.

A friendly ambience for social and environmental responsibility was created for the Reseller website. The service station is invited to share its actions with Ipiranga and the company encourages other stations to adopt the same attitude.

With its employees, the company developed the TOWARD A NEW ATTITUDE (Por uma nova atitude) campaign emphasizing awareness and collaboration actions.

As part of the campaign, workshops and lectures were organized based on themes such as nutrition and food utilization, energy efficiency and voluntary actions. In addition, an e-News page containing news about Ipiranga's sustainability initiatives in Brazil and worldwide initiatives was established.

Principles involved

Principle 1

Respect and support the protection of human rights in its area of

Principle 2

Ensure the company is not

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental

Principle 8

Develop initiatives and practices to promote and disseminate environmental

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

SuperAction program

(Programa SuperAção)



The SuperAction program (*Programa SuperAção*) is a Continuous Improvement Program implemented by the Ipiranga Lubricants Unit in 2013. It is based on the Total Productive Maintenance (TPM) methodology, which seeks continuous improvement and systematic industrial process for reducing losses of resources of time, people, materials and costs.

Since its launch, specific projects have been designed to involve employees in teams, developing and preparing them to achieve operational excellence.

The program has already developed over 60 projects with specific themes and targets, focused on demands for improvements in processes, quality, safety and the environment. Among them, notable was the Energy Efficiency project, which reduced energy consumption by 11,3% in 2016.

SuperAction's target is to involve 100% of the Lubricants Unit's employees. Currently, 66% have already participated in the program's activities, accumulating over 7,000 training hours.

Principles involved

9

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

Ipiranga Committed Supplier Program

(Programa Fornecedor Comprometido Ipiranga)



With the main objective of encouraging sustainable, ethical and transparent conduct in relations with suppliers, Ipiranga maintains and expands the Ipiranga Committed Supplier Program (Programa Fornecedor Comprometido Ipiranga).

Aligned with Ipiranga's Suppliers Policy, which explains the principles for a solid relationship with the company, the program mainly evaluates social and environmental issues and suggests action plans designed to help on the management of these topics in a joint development process.

The evaluation was reviewed in 2016 to facilitate understanding and clarify at which social and environmental management level the suppliers are placed. The self-assessment tool's automation feature was improved and the program was expanded into new areas of the company.

Principle 1

Respect and support the protection of internationally proclaimed

Principle 2

Ensure the company is not

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

Principles involved

Client relations

The company's relationships with its clients is one of its strategic points. In order to continuously improve, Ipiranga conducts an annual survey to measure the satisfaction level of its resellers. The evaluation includes important Reseller aspects such as the deadline for receiving orders, delivered product compliance and quality, post product acquisition service and the chain's marketing activities.

In 2016, the average satisfaction rate was 80% considering the survey's general index, which maintains Ipiranga's results at a positive level.

In the relations with end consumers category, Ipiranga's ranking in the Exame magazine annual survey in partnership with the IBRC - Ibero-Brazilian Client Relations Institute - was in the TOP 10 of the 25 best Brazilian companies in this regard.

Furthermore, Ipiranga was highlighted in São Paulo in the survey "Best of São Paulo - Services," in the Service Station and Convenience Store categories, conducted by the Datafolha Institute of São Paulo. In Rio de Janeiro, the company was Top of Mind in the "Carioca Brands" ranking, a survey conducted in partnership with Troiano Branding. In addition, Consumidor Moderno magazine also named the brand as the 'Most Loved' in the Fuel Station category.

Principles involved

Assume a precautionary approach to environmental challenges

Principle 8

Principle 1

Principle 2

Principle 3

Principle 4

Principle 5

Principle 6
Stimulate practices that

Principle 7

Respect and support the protection of

internationally proclaimed human rights in its area of

Ensure the company is not

Support the freedom of association and the effective recognition of the right to collective bargaining

and compulsory labor

Erradicat effectively all forms of child labor in its

eliminate any type of workplace discrimination

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Eco-efficient Service Station

(Posto Ecoeficiente)





An eco-efficient Ipiranga Service Station is one that adopted sustainability solutions right from the start of the civil construction phase. These are solutions that work on several levels to preserve natural resources: reducing the amount of materials used and of waste generated during construction; reduction of energy and water consumption throughout the useful life of the station.

Being a topic in continuously evolution, Ipiranga is constantly developing new solutions and specifying economically feasible technologies that are consistent with its business model.

Contractors follow the guidelines compiled in the Construction Guidelines Notebook for new building sites or station renovations. They consist on work routine guidelines to reduce the use of materials and ensure proper disposal of waste, workplace safety and environmental protection.

On the third quarter of 2016, Ipiranga had 1,179 Eco-Efficient Stations distributed throughout the country. In addition, other eight Eco-Efficient Stations received the Procel Building Energy Savings Seal of Approval, totaling 15 stations that are now certified.

Principles involved

9

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

In 2016, Ipiranga launched the "Eco-Efficient Consulting", a new way to spread the concept of sustainable construction through the service station chain. The goal is to guide its resellers as to how to reduce energy and water consumption, contributing to the environment and the financial health and sustainability of the business.

Ipiranga offers its technical expertise and experience in the Eco-Efficient Service Station concept on a free and personalized basis, helping its clients invest in improving energy and water efficiency at their stations. Since its launch, 332 consulting requests were made.

As a recognition, the Eco-Efficient Service Stations and Consulting were present at the ceremony of the Certification Yearbook, a special publication of the GBC Brasil magazine – an institution that supports and promotes sustainable buildings.

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Zero Carbon program

(Programa Carbono Zero)



The Ipiranga Zero Carbon Program (*Programa Carbono Zero*) encompasses all actions related to carbon management by the company, from measurement and reduction to offsetting greenhouse gas emissions (GHG). In line with the best market practices, the program aims to promote initiatives that minimize environmental impacts, such as the use of renewable energies and consumer awareness campaigns, and provides GHG emission compensation options to different stakeholder groups, undergoing annual third-party audit.

The company continued publishing its emissions inventory on a public platform (Public Emissions Registry) in 2016. Ipiranga has won the Gold seal every year, awarded to organizations that prepare a complete inventory and submit it to a third-party verification audit.

New carbon credits were purchased. The neutralization actions were accompanied by measures such as improving the company's energy efficiency, whose priorities were based on the analysis of Ipiranga's corporate emissions. To facilitate the design analysis process and carbon credit agreements, the company invested in legal training related to the carbon market.

Designed to offset Ipiranga's actions, carbon credit purchases have already reached 300,000 tons.

Principles involved

9

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

SIGA+

Ipiranga's Management System applied to Health, Safety, the Environment, Quality and Social Responsibility



SIGA+ includes a set of guidance tools for Management of Health, Safety, Environment, Quality and Social Responsibility (HSEQSR). Its procedures, records, controls and the definition of performance goals are aligned to the strictest national rules and international standards.

As a distinguishing characteristic, the system operates in a participatory manner, promoting annual reviews of the requirements directed toward the company's needs. Audits are carried out to verify each unit's performance; that is, to evaluate compliance with the requirements and motivate the evolution of aspects dealt with in the system. According to their results, they are classified into five groups, leading to an overall performance rating.

In line with the objective of strengthening the safety culture, the company began to restructure the system in 2016 in order to enhance its processes, reviewing all procedures and simplifying Work Instructions, focused on operational aspects. In addition, it designed a distance learning module to disseminate all of these changes.

Principle 1

Respect and support the protection of internationally proclaimed influence

Principle 2

Ensure the company is not

Principle 3

association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and disseminate environmental

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery

Principles involved

Security Program Ipiranga

(Programa de Segurança)



The Security Program was structured to strengthen Ipiranga's safety culture through a process of continuous improvement, enhancing the reliability of its operations.

The program features three pillars to ensure safety, protect the environment and preserve the company's assets: Physical Conditions, Procedures and People.

Designed to encourage safe behavior, Safety Excellence Attitudes were formalized; these attitudes are considered to be essential for all employees in their job activities.

Since the end of 2015, all safety actions have been concentrated within the program, including: unit safety inspections; investments to improve physical conditions; review of safety procedures; efficient procedures supported by the SIGA+ system; safety guidelines for contractors and transporters; and a review of the emergency response plans.

The company also worked to engage its leaders, running training sessions for various job positions and organizing a communication campaign emphasizing safe behavior.

The program conducted 67 actions in 2016. As a result, there was a 5% reduction in the personal accident with lost-time frequency rate.

Principles involved

Principle 1

protection of internationally proclaimed human rights in its area of

Principle 2

Ensure the company is not

Principle 3

Support the freedom of association and the effective recognition of the right to

Principle 4

and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental

Principle 8

Develop initiatives and practices to promote and disseminate environmental

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Ipiranga-BMW Partnership



After developing and implementing the first Eco-Efficient Service Station chain in the country, Ipiranga partnered with the BMW Group in Brazil to introduce another important sustainable initiative: electric vehicle charging stations.

Such stations have already been installed in four of the chain's stations in the following cities: Rio de Janeiro, Curitiba and Porto Alegre. In total, 50 BMW i wallbox units - the exclusive device for charging BMW i vehicles are to be installed in urban centers and Rodo Rede service stations.

Principles involved

Principle 1

Respect and support the protection of internationally proclaimed

Principle 2

Ensure the company is not

Principle 3

association and the effective recognition of the right to

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

forms of child labor in its production chains

Principle 6

eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

including extortion and bribery

Clean Point

(Ponto Limpo Ipiranga)



The Clean Point program was created to boost the efficiency of the segregation and disposal of recyclable waste and to minimize the shipping of materials to sanitary landfills as much as possible.

In the first year of operation, the Clean Point installed at the Ipiranga's headquarters building surpassed 30 tons of waste collected and sent for recycling. In November 2016, the initiative prevented the emission of approximately 50 tons of CO2, equivalent to:

- + 551 trees that were not cut down
- + 215,665 hours of light bulb use (100W)
- + 1,539 5-minute electric shower baths
- + 13,807 PET bottles (1l) or 294,977 plastic cups (200ml)

The positive impact generated by this action goes well beyond Ipiranga's facilities and positively affects wastepickers, who benefit directly from the sale of the recyclable materials donated by Ipiranga.

Principles involved

7 8

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Other business units from Ipiranga also conduct important recycling actions, such as installing collection points and running awareness campaigns. The operating units, for example, report the quantities of recyclable materials generated monthly through the SIGA+ system.

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of force and compulsory lab

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Play Clean Institute

(Instituto Jogue Limpo)



The Play Clean Institute (Instituto Jogue Limpo), from which Ipiranga is one of the Founding Members, is a system for the reverse logistics and recycling of post-consumed lubricant oil plastic packaging.

In 2016, Play Clean partnered with other institutes and associations to install four Voluntary Delivery Points (VDPs) in Maceió. The initiative aims to improve reverse logistics and hopes to increase engagement with retailers, such as mechanic's shops and oil change providers. The VDPs are a way to integrate the lubricant oil chain's sales as part of a system of shared responsibility in reverse logistics, established by Law 12.305 of 2010.

This year, the Play Clean Institute activities expanded, covering 3,892 municipalities in 14 states and the Federal District. Since the beginning of the program in 2005, approximately 530 million plastic lubricant oil packaging were recycled.

In recognition of the environmental preservation actions, Play Clean received the following awards: Alagoas Green Trophy, in the Services category, from the Environment Institute (IMA – in Portuguese); Green Seal and the Chico Mendes Award in the Responsible Environmental Management category, from the Chico Mendes Institute.

Principles involved

8 9

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Eco-efficient Oil Exchange

(Troca Ecoeficiente)



Designed to reduce environmental impacts, the Eco-efficient Oil Exchange is a bulk lubricating oil sales system, featuring quick service, greater savings and less waste generation.

A 500-liter polyethylene tank is used for the storage of the product, replacing the traditional 200-liter drum or 1-liter bottles. The equipment allows the client to purchase the exact amount required, eliminating inventory, avoiding the disposal of packaging materials, and the waste of lubricants.

The tanks avoids the disposal of up to 500 packaging containers, which means a reduction of environment damage generated by their production, storage, transportation and disposal. The Eco-efficient Oil Exchange has prevented the unnecessary disposal of over 1 million plastic packaging recipients since it was created in 2012.

Principles involved

9

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fuel Quality Control Program

(Programa de Controle da Qualidade do Combustível)



É (ERTIFI(ADO. É IPIRANGA.

The Fuel Quality Control Program helps minimizing the environmental impact and greenhouse gas emissions since only products within the specifications of the National Agency of Petroleum, Natural Gas and Biofuels (ANP – in Portuguese) are marketed.

Created to enhance and guarantee the quality of Ipiranga's fuel, it is key to ensuring the end consumer's satisfaction. Vehicles-mounted laboratories visit the chain's service stations to test for fuel origin and quality, according to criteria set by the ANP.

The initiative reinforces the perception of Ipiranga as the company that best trains its resellers, enhancing the reliability of its products and services. The stations that meet the ANP's and Ipiranga's specifications receive a Quality Seal, thus providing a higher margin of safety for consumers when it's time to fill up their tanks.

In 2016, the program began analyzing stations that sell Arla-32 in bulk. It became a pioneer in this type of field analysis. In addition, more than 9,000 visits were completed and 290,000 fuel analyses performed.

Focused on preventive action, Ipiranga held about 800 training sessions throughout 2016, attracting over 2,000 people to the initiative.

Principles involved

2 7 8 10

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Ipiranga at Rio Oil & Gas 2016



Rio Oil & Gas is the largest O&G event in Latin America, organized by the Brazilian Oil, Gas and Biofuels Institute (IBP – in Portuguese) every two years. In 2016, the event was sponsored by Ipiranga and offered a multiplatform format with new content and diverse programming.

Held in Rio de Janeiro, Ipiranga also participated on the agenda with presentations in two topics.

The Service Station in the Sustainability Era: Special Session of the Rio Oil & Gas event aimed at discussing how fuel distributors can adopt sustainable policies in their service station chains. The issue was addressed in its multiple dimensions: safety, environment, people, goods and services and the value chain.

Ipiranga presented its sustainability strategy for service stations and some of its initiatives such as the Eco-Efficient Station, Zero Carbon Program, DT Clean fuel and Eco-lubricants.

The energy transition in the COP 21 agreement: The discussion occurred on the major challenges and opportunities in the energy efficiency transition process driven by the Paris Accord, which entered into force on Nov. 4 2016.

Principles involved

9

Principle 1

Respect and support the protection of internationally proclaimed human rights in its area of influence

Principle 2

Ensure the company is not complicit in human rights abuses

Principle 3

Support the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labor

Principle 5

Erradicat effectively all forms of child labor in its production chains

Principle 6

Stimulate practices that eliminate any type of workplace discrimination

Principle 7

Assume a precautionary approach to environmental challenges

Principle 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Credits

COMMUNICATION ON PROGRESS

Ipiranga Produtos de Petróleo S.A. | 2016

General Coordination
Writing, Editorial Production and Proofreading
Graphic Design and Layout
Ipiranga Sustainability Committee

