

IPIRANGA 2017

COMMUNICATION ON PROGRESS





CONTENTS

Ipiranga's Profile

The Global Compact's
10 Principles

Initiatives

Credits



Ipiranga's Profile



Ipiranga is one of the largest fuel distribution networks in Brazil, with 7,814 service stations geared to meet the needs of its clients, ranging from fuels and lubricants to convenience services.

The am/pm chain already has 2,301 stores, including 774 am/pm bakeries and 431 Beer Caves. The Beer Cave represents a distinctive purchase experience for domestic and imported beers, ready for clients to take home.



The Jet Oil franchise, with services specialized in oil changes at Ipiranga service stations, has 1,681 outlets 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 Stations are based on the principle of the efficient management of energy, water, waste and materials right from the start of the construction stage through to the operating phase. There are now 1,193 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 specialty chemicals industry with Oxiteno; and the bulk liquids storage segment through Ultracargo.

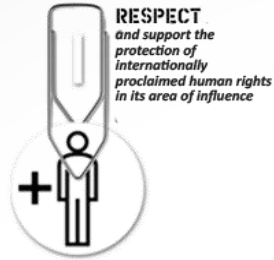
The quest for sustainable development is an inherent component of the Company's strategy.

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 2017

The Global Compact's 10 principles

HUMAN RIGHTS



ENVIRONMENT



LABOR RIGHTS



CORRUPTION



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

The Sustainable Development Goals



Throughout this communication on progress, it is possible to verify the correlation between Ipiranga's initiatives and the SDGs (Sustainable Development Goals).



Initiatives

Contents

11	Corporate Governance
13	Institutional Policies
15	Quality of Life Program - Viva Mais
18	Social Responsibility Programs
21	On the Right Track Pact (<i>Pacto na Mão Certa</i>)
24	Organizational Climate Survey (<i>Pesquisa de Clima</i>)
26	Health on the Highway Program (<i>Programa Saúde na Estrada</i>)
28	Cinema on the Highway (<i>Cinema na Estrada</i>)
30	Recruitment and Selection
32	Ipiranga University (<i>Universidade Ipiranga</i>)
34	SuperAction Program (<i>Programa SuperAção</i>)
36	Ipiranga Committed Supplier Program (<i>Programa Fornecedor Comprometido Ipiranga</i>)
39	Eco-efficient Service Station (<i>Posto Ecoeficiente</i>)
42	Zero Carbon Program (<i>Programa Carbono Zero</i>)
45	Ipiranga's System of Management applied to Health, Safety, Environment, Quality and Social Responsibility (<i>SIGA+</i>)
47	Security Program Ipiranga (<i>Programa de Segurança</i>)
50	Planting Group Action
52	Ipiranga-BMW Partnership
54	Clean Point (<i>Ponto Limpo Ipiranga</i>)
57	Play Clean Institute (<i>Instituto Jogue Limpo</i>)
59	Materiality Study
61	Lavapor Steam Car Wash
63	Friend Service Station (<i>Posto Amigo</i>)
67	Ipiranga Bike

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

Eradicate 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



Corporate Governance

Ipiranga's actions are characterized by a commitment to ethical behavior and good governance practices. Our contracts call for maintenance of anti-corruption clauses in which the companies with whom we have relationships must comply with our policy regarding the subject and our code of ethics. The following actions deserve mention:

- Ethics and Compliance Program training sessions;
- A short film, "The conflict," screened for employee engagement purposes;
- Corporate Competitive Policy, with guidelines that are additional to the Code of Ethics and the laws that protect competition;
- Corporate Conflicts of Interest Policy, which clarifies and offers guidance on how to proceed in situations - real or potential - of conflicts of interest.

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

Principles involved									
1	2	3	4	5	6	7	8	9	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

Erradicate 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 amply demonstrates its commitments through the dissemination of its seven Institutional Policies. Its general guidelines express the parameters for the actions of the company and its employees, assuring uniform observance of its the values and principles over the full range of its activities.

For the in-house audience, Ipiranga discloses its Institutional Policies 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.

Principles involved									
1	2	3	4	5	6	7	8	9	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

Eradicate 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



Quality of Life Program – Viva Mais

The Viva Mais (Quality of Life) Program's goal is to foster staff good health, well-being and quality of life. In addition to a full Health Plan that is extended to dependents, the company publishes important information and promotes actions and campaigns related to the subject.

The vaccination campaign is a major Ipiranga action, which includes free doses for employees and subsidized for dependents in all of the company's locations.

The Medical Control and Occupational Health Program offers a wide number of preventive occupational exams and mainly fosters the prevention of breast, gynecological, prostate, lung and intestinal cancers. The monitoring of employees subject to risks or patients with serious illnesses involves hospital and home monitoring programs.

Ipiranga also runs programs for nutritional education, anti-smoking, alcohol and drug policy, support for cases of chemical dependency and AIDS and awareness activities on the importance of physical activity for the control and treatment of diseases.

Principles involved									
1	2				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**
Eradicate 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

In 2017, Ipiranga inaugurated the Ipiranga Space, a relaxed environment for employees in the headquarters building used during lunch hours and for corporate events.

In addition, it refurbished the headquarters restaurant, guaranteeing a more comfortable atmosphere, offering fresh food and a varied menu with light options and nutritional information.



Principles involved

1	2			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

Eradicate 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



Social Responsibility Programs

Ipiranga bases its social investments on projects related to education, of which the Ipiranga Volunteer Program is one of the main activities.

The goal of the program is to contribute through relevant social causes to the mobilization of volunteer employees who work in institutions in near vicinity to Ipiranga's facilities. It is an action that, besides bringing dialogue and knowledge to children and teenagers, also contributes to the development of the volunteers' skills and professional values.



An Internal Volunteering Week is organized annually in São Paulo, Porto Alegre and Rio de Janeiro. This year, the participation of volunteers reached over 1,000 students in the public school system.

Principles involved

1	2	4	5	6	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

Eradicate 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

In 2017, Ipiranga participated in the first Oil and Gas sector volunteers project. The project implemented educational programs for 1,000 young people in the Rio de Janeiro public school network.



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

Eradicate 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

Principles involved

1	2		4	5	6		8		
---	---	--	---	---	---	--	---	--	--



On the Right Track Pact (Pacto na Mão Certa)

Ipiranga has joined the On the Right Track program (Pacto na Mão Certa) as a signatory of the Business Pact To End the Sexual Exploitation of Children and Teenagers on Brazilian Highways. Designed to support the eradication of sexual exploitation on the roads, in 2017 we supported the Do It Beautifully - To Forget Is To Permit, To Remember is to Combat campaign.

We distributed educational materials about the subject through both our communication channels and service stations, to engage with truck drivers about the cause. Together with the campaign, we introduced a Human Rights Telephone Hotline (Disque Direitos Humanos, Disque 100) - a protection service for children and teens, with a focus on sexual violence.



Principles involved

1	2	4	5					
---	---	---	---	--	--	--	--	--

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

Eradicate 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

In addition to this campaign, another outstanding initiative in 2017 was the participation of ChildHood Brasil (Creator of the On the Right Track Pact) at the Transport Safety Workshop, held in Rio de Janeiro. The institution presented the On the Right Track Pact for employees of more than 70 trucking firms that provide services to Ipiranga.



In order to make drivers aware of and express their position on the issue, Ipiranga organizes a number of actions in the Health on the Highway Program events involving the distribution of educational materials. In addition, it broadcasts information about the Human Rights Telephone Hotline over the Ipiranga highway service station radio network.

Principles involved

1	2	3	4	5	6	7	8	9	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

Eradicate 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



Organizational Climate Survey (Pesquisa de Clima)

In 2017, Ipiranga conducted the Climate Survey with its employees from all over Brazil. The survey is an important management tool that contributes to higher employee engagement regarding improvements in the workplace and in the production process.

The goal of staff participation is to receive feedback on employee perceptions and is voluntary. This year, Ipiranga's Climate Survey had a 93% staff compliance rate.

The results kept us at the level of big and relevant companies, with an internal favorability index of 73%, according to Korn Ferry Hay Group.

Based on this survey, Ipiranga will prepare action plans to enhance points of improvement as pointed out and consolidate the positive results already achieved.

Principles involved								
1	2		4		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

Eradicate 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)

Health on the Highway completes 10 years of operation on Brazilian roads, promoting road safety and quality of life for truck drivers. The initiative involves passing along free orientation about nutrition and Sexually Transmitted Diseases (STDs), along with clinical exams and vaccinations.

Carried out exclusively in the Ipiranga Highway Service Station Network, consisting of specialized establishments for the driving public and providing special services for truckers, the program has the support of Municipal and State Health Secretariats, the Ministry of Health, universities, the Federal Highway Police and the State Police.

For this year, the novelty is the new look of the truck and the tents, amplifying brand visibility in every structure.

From 2008 to 2017, were more than 900 events were organized, passing through some 180 municipalities and 23 states. In the ten editions of Health on the Highway, the program has served more than 410,000 people.

Principles involved									
1	2		4		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**
Eradicate 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)



Culture and emotion also are found on Brazilian roads through the Cinema on the Highway project. Launched in 2016, the Ipiranga project was a success with the Highway Service Station Network, attracting and amusing hundreds of spectators — truck drivers and residents — living in the communities in the vicinity of the stations.

This year, the second season of traveling films travelled through the Center-West, North and Northeast regions of the country, offering entertainment and culture for the driving public.

The schedule included:

- 60 Cinema on the Highway events.
- 30 Highway Service Stations.
- 2 days in each station.
- 3 film sessions per day.

A specially adapted trailer truck is transformed into a 54-seat movie theater with a 2D and 3D movie projection screen and has an am/pm bombonière to serve popcorn and soda to the public.

The On the Right Track Program also is disseminated during the film screening sessions and the Cinema on the Highway project is free for spectators.

Principles involved									
1	2				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
Eradicate 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



Recruitment and Selection

The Ipiranga Code of Ethics ratifies the company's respect for diversity, with no toleration for any discriminatory practices in its recruitment and selection processes. And furthermore, it neither allows and nor condones child labor or any forced or degrading labor practices.

In addition, the company's HR practices foster a healthy and motivating environment, with the goal of attracting and retaining talent from all areas of the company.

In 2017, a survey conducted by the HR Management Group received more than 40,000 responses to point out the most recognized HR departments in Brazil and Latin America, in addition to the most admired brands by Human Resources managers.



Principles involved

1	2	3	4	5	6				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

Eradicate 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



UNIVERSIDADE
IPIRANGA

Ipiranga University (Universidade Ipiranga)

Ipiranga University is an Ipiranga initiative that supports the training of its professionals so they can grow together with the company. Created in 2014, it offers live classroom training and online tools, such as the university's own app, presenting articles and videotapes, as well as "Ipiranga Business" content.

Ipiranga has been investing in tools to assist the sales area in its field operations, designed to optimize time and productivity. The Virtual Learning Room is an exchange environment, generating gains for the various business areas and further bolstering their results along with those of the company itself.

In 2017, thinking about transmitting the concepts, processes and procedures of our operations, the Ipiranga University developed a training program for the Operation of a Complete Service Station. Aimed at the sales area, the program was run in Rio de Janeiro, offering a practical, total immersion experience in our business.

Principles involved									
1	2	3	4	5	6	7	8	9	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

Eradicate 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



SuperAction Program (Programa SuperAção)

SuperAction is a Continuous Improvement Program based on the Total Productive Maintenance methodology, which seeks continuous and systematic improvement of the industrial process to reduce losses in time, materials and costs. Since its launch, specific projects have been designed to involve employees in teams, developing and preparing them to achieve operational excellence. Currently, 78% of employees have already participated in the program's actions, accumulating a total of more than 9,000 training hours.

Among the projects developed, of particular note was the training course for process specialists to develop leadership skills and abilities, allowing them to achieve the best results for the company and optimize the communication between the board and the operators.



Principles involved

						7	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

Eradicate 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

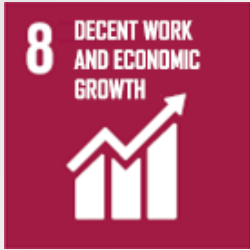
Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery



**FORNECEDOR
COMPROMETIDO
IPIRANGA**



Ipiranga Committed Supplier Program

In order to maintain and expand the Ipiranga Committed Supplier Program - designed to encourage sustainable and ethical and transparent practices and conduct in relation to suppliers - Ipiranga prepared a booklet for wide circulation of the main socio-environmental and business issues addressed by its Suppliers Policy.

In addition to the preparation of the booklet, the company ran training sessions and workshops with in-house teams and external representatives to educate and reinforce support for the development of its supply chain. Among these was the training of the in-house team responsible for the relationship with suppliers and procurement of indirect inputs. There also were workshops for outside representatives of trucking companies and other contractors.

Moreover, workshops and training for outsourced companies were conducted, addressing topics like job security, social responsibility programs (such as publicizing the On the Right Track Pact) and environmental efficiency (with lectures on economic management).

Principles involved

1	2	3	4	5	6	7	8	9	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

Eradicate 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 Lubricants Factory of São Cristóvão organized the first workshop for suppliers with the objective of deepening knowledge and promoting the continuous improvement of Ipiranga's relations with its partners. Among the topics presented were the criteria for evaluating suppliers, successful case histories and the evolution of the formation of the Ipiranga-Chevron Joint Venture.



Principles involved

1	2	3	4	5	6	7	8	9	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

Eradicate 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



Eco-Efficient Service Station (Posto Ecoeficiente)

Ipiranga is concerned about the impact of branded service station facilities with regard to the consumption of energy and water for operations and consumption of materials and waste disposal at the time of construction. To this end, it provides its resellers with architectural and sustainable construction solutions through the Eco-Efficient Service Station model.

A standard Ipiranga station comes ready with construction solutions and equipment specifications that result in efficient energy and water consumption. But the Eco-efficient Service Station goes further, introducing a complete solution and, by the beginning of October 2017, there were an additional 1,193 stations in this model, featuring this complete concept.



The effectiveness of this project has already been endorsed by 15 Procel Seals of Approval for Building Energy Economy, and a LEED Gold certification, for 2015 and 2016

Principles involved										
						7	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**
Eradicate 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

Since 2016, Ipiranga has offered the services of Eco-Efficient Consultants to its resellers, designed to further disseminate the concept of sustainable construction to its service station chain. Eco-Consultants advise the resellers about how to lower energy and water consumption, thus contributing to their environmental and financial health and business continuity.

The novelty in 2017 was the inclusion of practical information on how the resellers could generate photovoltaic solar energy, boosting energy efficiency beyond just a station's buildings. Since the launch in February until the beginning of October, 87 resellers expressed interest on the subject.

Principles involved									
						7	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

Eradicate 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



Zero Carbon Program (Programa Carbono Zero)

The Ipiranga Zero Carbon Program covers management of greenhouse gas (GHG) emissions throughout Ipiranga's production chain, from fuel transportation to sales. It includes, in addition to the metrics, the reduction and offsetting of unavoidable emissions. Thus, Ipiranga neutralizes all its direct and indirect emissions, including the emissions from Ipiranga Racing teams and cars that occur in Stock Car races.

The Program encourages initiatives that minimize environmental impacts, such as the use of renewable energy and consumer awareness campaigns.



Principles involved								
						7	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**
Eradicate 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 Cards: By using them in the Ipiranga chain of stations, consumers can have their emissions neutralized at no additional cost.

Km of Advantages: The Ipiranga loyalty program, which allows the consumer to choose to exchange accumulated points for emission offsets.

Ipiranga Service Station on the Web: Upon acquiring fuel credits at an Ipiranga service station, consumers can choose to include carbon neutralization in fuel purchases.

To enable neutralization actions, the acquisition of carbon credits already has exceeded 300,000 tons. The most recent purchase in 2016 involved a REDD+ project that supports Amazonian conservation with actions to prevent deforestation and recover the forest, as well as to develop the local community.

The emissions inventory is published on the [Emissions Public Registry platform](#), developed by the Brazilian GHG Protocol Program and has been awarded a Gold seal of approval. In addition, the Zero Carbon Program as a whole is audited annually by an independent verifier, guaranteeing transparency, consistency and reliability of the program for all its stakeholders.

Principles involved

							7	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

Eradicate 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

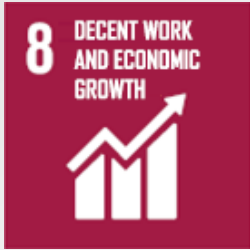
Develop initiatives and practices to promote and disseminate environmental responsibility

Principle 9

Promote the development and diffusion of environmentally friendly technologies

Principle 10

Fight all forms of corruption, including extortion and bribery



SIGA+

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

SIGA+ is a system with tools for Health, Safety, Environment, Quality and Social Responsibility (SSMAQRS) management, featuring procedures aligned with the most rigorous national and international standards and norms.

The system performs audits to verify the performance of each unit and acts in a participatory manner, promoting annual reviews of the requirements directed to the needs of the company. According to their performance, the units are classified into five groups, making it possible to measure all of them.

In 2017, in order to strengthen its safety culture, the company completed the restructuring of the system through the revision of existing procedures, preparation of new procedures and simplification of work instructions, with an operational focus. In addition, 11 workshops were conducted to train the entire workforce involved in SIGA+, designed to assist Ipiranga's operational areas in reimplementation and continuous improvement of the management system.

Principles involved									
1	2		4	5	6	7	8	9	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

Eradicate 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



Security Program Ipiranga (Programa de Segurança)

The Security Program, structured at the end of 2015, aims to strengthen Ipiranga's security culture through a process of continuous improvement, enhancing the reliability of operations. To guarantee the safety of people, protect the environment and preserve the company's assets, the Program has three underpinnings: Physical conditions, Procedures and People.

Designed to stimulate safe behavior, Security Excellence Attitudes were formalized, which comprise the essential behavior patterns expected of each employee in their duties. Since the end of 2015, all safety actions have been concentrated within the Program, such as: security inspections in units, investments for enhancing the safety of physical conditions, efficient procedures supported by the SIGA+ system, safety guidelines for contractors and truckers, improvements in emergency response plans and training programs.

Principles involved									
1	2		4						

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

Eradicate 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

In 2017, 100% of the operational units underwent inspections to identify deviations and propose solutions. With a focus on identifying the main hazards and evaluating the risks of the operational units, 15 Risk Analysis Reports were reviewed. Also this year, in order to improve the management of operating emergencies, the new standard of the Emergency Response Plan was implemented at 18 units. The company also continued to actively work toward leadership engagement through the implementation of a structured program to boost the safety skills, job training of operational leaders along with a communications campaign emphasizing safe behavior.

As a result, there was a 33%* reduction in the frequency rate of personal accidents with lost time compared to 2016.

*rate through Oct/17.

Principles involved									
1	2		4						

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

Eradicate 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



Planting Group Action

In 2017, Ipiranga organized a 30-person visit to the Barão de Mauá Municipal Nature Park in Magé and contributed to the planting of native species seedlings in the region, supporting the Mangue Vivo (Living Mangrove) project.



The program is an initiative of the Instituto OndAzul, sponsored by Ipiranga since 2001, which has restored some 67 hectares of degraded areas in the park and contributed with the planting of 177,000 seedlings of three species, popularly known as white, black and red mangrove shrubs.



Another project goal is to transform the park into a tourist environment to welcome visitors from all over the world and raise awareness of the importance of reforestation.

Principles involved							
					7	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

Eradicate 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-BMW Partnership

Ipiranga, in partnership with the BMW Group in Brazil, has developed another large sustainable initiative: electric vehicle recharging stations.

As of the beginning of the partnership, Ipiranga already has installed recharging stations in the following states: Rio de Janeiro, São Paulo, Minas Gerais, Santa Catarina, Paraná, Rio Grande do Sul, Pernambuco, Goiás and the Federal District. In addition, the expansion of the chain of recharging posts in urban centers and its Highway Stations will continue.



Principles involved									
							7	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**
Eradicate 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



Clean Point (Ponto Limpo)



Ipiranga manages and segregates recyclable waste at its headquarters building. Ponto Limpo Ipiranga (Clean Point) is a voluntary delivery location that promotes recycling in the facility that concentrates most of the company's employees. In addition to raising awareness about correct waste segregation practices, the initiative has had a positive impact on the recyclable materials collection scenario and exceeded 18,500 tons collected in 2017.

In order to strengthen the initiative and commitment of the employees, guided tours were conducted at the Clean Point and a lecture on international environmental day with an external consultant on initiatives on waste and conscious consumption was proffered.



Principles involved

						6	7	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

Eradicate 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

Through **October** the cumulative environmental benefit of the selective collection accounted for approximately 90.44 tons of CO₂ not emitted or equivalent to:

- **890** trees not cut down
- **392.799** hours of light bulb use (100W)
- **17.875** PET bottles (1l) or 381,866 plastic cups (200ml)
- **2.802** 5-minute showers

Principles involved										
						6	7	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

Eradicate 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



Play Clean Institute (Instituto Jogue Limpo)

Ipiranga is one of the members of the Play Clean Program, a reverse system of logistics and recycling of post-consumption lubricating oil plastic packaging.

With 20 new packaging collection points, since the beginning of the Program in 2005 approximately 600 million lubricant plastic packages have been recycled.

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

Principles involved										
							7	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**
Eradicate 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



PROGRAMA IPIRANGA
DE SUSTENTABILIDADE



Materiality Study

Ipiranga, through its Sustainability Committee, conducted the first comprehensive study of materiality, aiming to define priority themes for its sustainability management.

The study was supported by specialized research and sustainability consulting firms and involved Ipiranga's main stakeholders. Top management, employees, suppliers, resellers, clients, consumers, among other audiences, were contacted through personal interviews, telephone and online consultations.

The opinion gathered through sampling of the stakeholders consulted, which totaled about 1,500 people, supported the prioritization of topics identified as relevant to Ipiranga's activities.

The main output of the consultations is the Ipiranga Materiality Matrix, which combines the key themes, both regarding the internal vision of the company as well as that of the external stakeholders. Based on the Material Themes present in the Matrix, the Sustainability Committee will work on the definition of strategic objectives, which should support the development and continuity of actions and projects deriving from the main listed topics.

Principles involved									
1	2	3	4	5	6	7	8	9	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

Eradicate 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



Lavapor Steam Car Wash

Lavapor is a new steam cleaning automotive process generated by LPG combustion. It is much more advantageous than traditional washing with water because of its low consumption of gas and electricity and, mainly, by the reduction in water consumption - the water savings of this process can reach 90% compared to traditional washing methods. And if all these benefits are not enough, the quality of the steam car cleaning process is perceptibly superior to traditional and dry processes.

Currently, the new equipment is in operation at 19 Ipiranga Service Stations and further implementations foresee substantial growth of the new product.



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

Eradicate 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



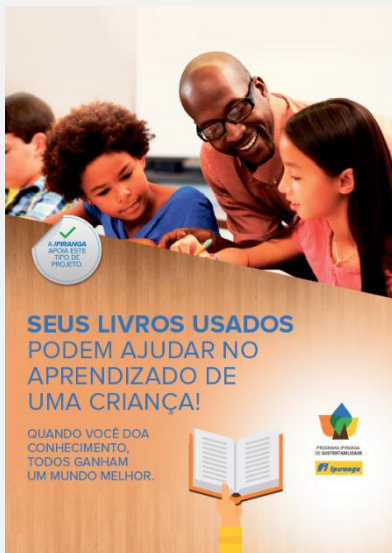
Friend Service Station

(Posto Amigo)

Launched at the end of 2016, the Friend Service Station campaign saw positive repercussions throughout 2017. Designed to encourage service station owners to conduct wellness actions for the people and on behalf of the environment in the vicinity of their communities, it has generated greater awareness and engagement of Ipiranga's resellers.

Communication is through e-mails and exclusive pages on the Ipiranga website. Ipiranga makes the campaign available online and sends the donations box when requested.

Friend Service Station Initiatives:



Conducts a **campaign to collect books** to distribute in the neighborhood's public schools



Promotes a campaign to **put together volunteer work groups** to collect waste to clean up a park

Principles involved

1	2	3	4	5	6	7	8	9	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

Eradicate 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



Promote a **campaign to donate school supplies, hygiene and cleaning materials and light bulbs** to nearby schools



Organizes group efforts to **conduct campaigns for planting trees in a green section of the neighborhood together with the community**



Collection of **personal products for social institutions in the neighborhood**



Promote animal **adoption fairs in service stations**



Collection of **non-perishable foodstuffs to donate to social institutions..**



Run a **campaign to collect clothing to donate to daycare centers or neighborhood nursing homes**

Principles involved

1	2	3	4	5	6	7	8	9	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

Eradicate 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



Become a collection point for recyclable materials



Disclose measures for the greater awareness of water consumption for consumers

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

Eradicate 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

Principles involved

- | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|----|



Ipiranga Bike

Launched in 2017, the Ipiranga Bike consists of a workshop stall for small repairs of bicycles and parking space.



It was mainly developed for service stations with an am/pm shop, offering more comfort to cyclist clients who visit the station. Resellers can purchase it from the Rede Ipiranga website.

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**
Eradicate 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

CREDITS

Communication on Progress
Ipiranga Produtos de Petroleo S.A. | 2017

General coordination
Texts, Editorial Production and Review
Graphic Project and Layout
Ipiranga Sustainability Committee



PROGRAMA IPIRANGA
DE **SUSTENTABILIDADE**

