



IPIRANGA 2019

COMMUNICATION ON PROGRESS

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Principles 1

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

Principles 2

Assure the company is not complicit in human rights abuses

Principles 3

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

Principles 4

Eliminate all forms of forced and compulsory labor

Principles 5

Eradicated effectively all forms of child labor in its production chains

Principles 6

Stimulate practices that eliminate any type of workplace discrimination

Principles 7

Assume a precautionary approach to environmental challenges

Principles 8

Develop initiatives and practices to promote and disseminate environmental responsibility

Principles 9

Encourage the development and diffusion of environmentally friendly technologies

Principles 10

Combat all forms of corruption, including extortion and bribery

Ipiranga is the mobility and convenience business platform that facilitates people's daily lives. Over 80 years in existence, the company owns one of Brazil's largest fuel distribution networks. Its journey has been marked by innovation. Ipiranga offers solutions for both products and services and engagement with the public. Hence, it has become a recognized brand for placing people at the center of decisions, positioning its point of sale as the Complete Service Station, not only for drivers, but also pedestrians, cyclists or neighborhood residents out for a stroll.

We employ approximately 3,000 direct and 70,000 indirect employees. The company is a leader in the convenience store segment, with more than 2,300 am/pm stores and the largest bakery chain in the country, with 900 units. Ipiranga also owns the second largest automotive service network in Brazil, Jet Oil, with almost 1,500 units; and it has the largest loyalty program in Brazil, Km de Vantagens, which has more than 32 million participants.



Throughout the year, the guidelines that support the Program received reviews and updates that were accompanied by face-to-face and online training, and differentiated communication, assuring the topic was consistently updated and present in the culture of all the teams. The communication initiatives aimed to promote engagement, one of the main focuses of the program, reaffirming Ipiranga's commitment to its business integrity.

This year, we are highlighting these main actions:

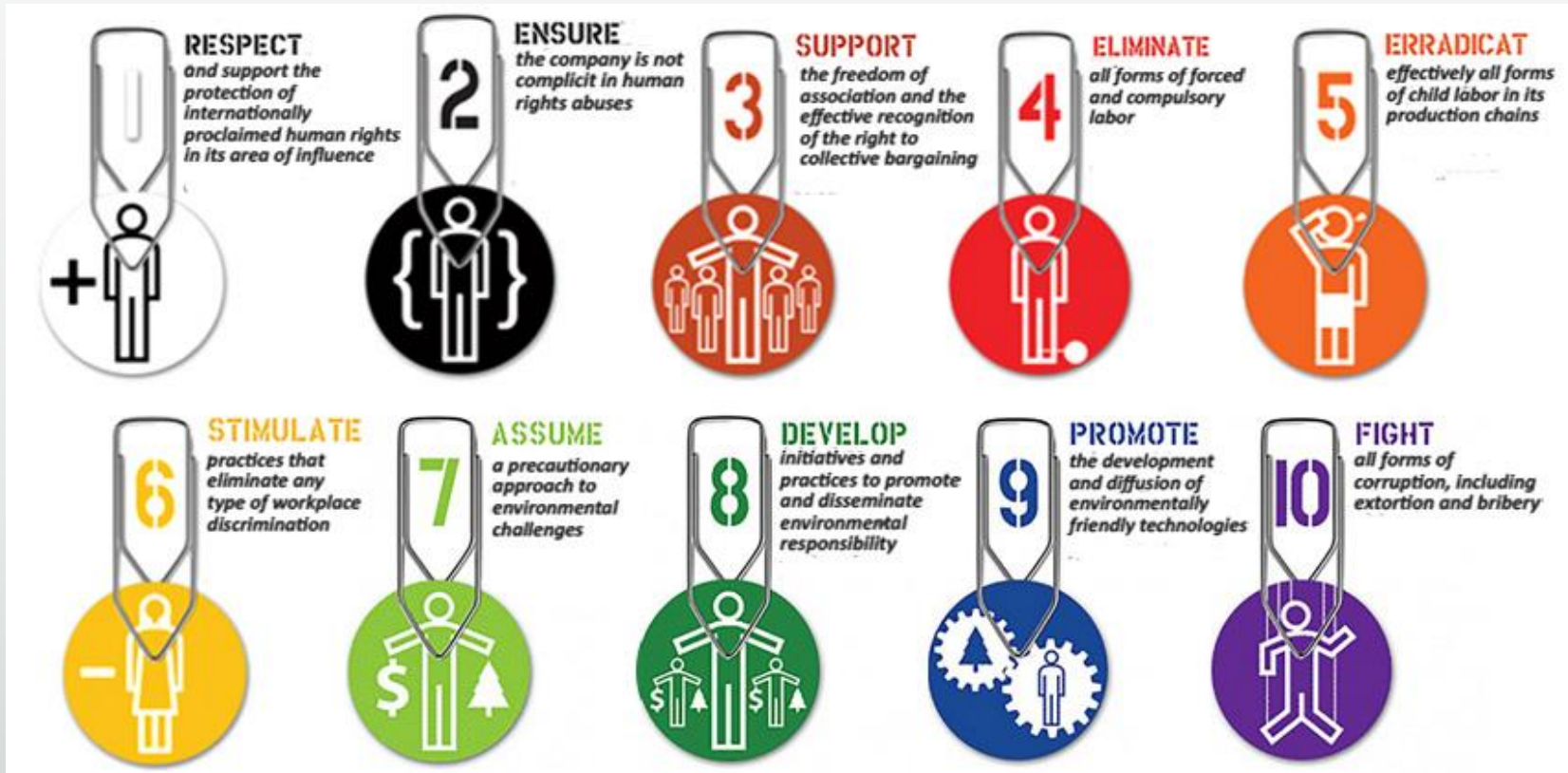
- Dissemination of 20 practices to combat misconduct, summarizing three of our corporate policies: Anti-Corruption, Competition and Conflict of Interest;
- Launch of the Relationship Conflicts Campaign, a series of three films which emphasized how valuable was a productive, inclusive and respectful work environment;
- Dissemination of the tutorial on the Ultra Open Channel;
- Face-to-face training on the subject of competition, for our resellers.



Global Compact Principles

The 10 Global Compact Principles

A signatory of the UN's Global Compact since 2013, Ipiranga has voluntarily undertaken to adopt its principles in its business practices.



The Sustainable Development Goals



Throughout this Communication on Progress report, it is possible to verify the correlation between Ipiranga's initiatives and the UN's Sustainable Development Goals.

Initiatives

Quality of life



Principles involved									
1	2				6				

Ipiranga promotes quality of life actions for its employees throughout the year, with topics related to wellness and health.

Educational campaigns and communications are available on internal channels, addressing issues such as diabetes, dyslipidemia, hypertension, healthy eating and mental health, among others.

At the end of the year, we joined the October Pink and Blue November campaigns to discuss the importance of self-care for everyone. Ipiranga promoted **the Health Colors** program, designed to promote healthier attitudes and encourage the collection of food donations for institutions that support cancer patients.

In addition to these actions, the Medical Control and Occupational Health Program (PCMSO) monitors employees through annual medical examinations. The focus is on the prevention of possible workplace diseases and to foster good health. For more than 20 years, it has organized an annual, free nationwide Flu Vaccination Campaign for employees and trainees.

Ipiranga Volunteering

The Volunteer Program is one of Ipiranga's main Social Responsibility actions, based on the engagement of employees and interns.

Among the actions, most are directed to the cause of Education. One of our partners is Junior Achievement, elected 7th among the 500 best NGOs in the world. In 2019, we put into practice the "Minicompany," "Entrepreneur Shadow" and "Entrepreneurial Trail" programs. The three actions are focused on motivating entrepreneurship among young people and encourage our employees to contribute to society, encouraging personal satisfaction and empathy for others. Volunteer staff and trainees introduce educational programs designed to promote dialogue and knowledge to children and teenage students from the public school systems near Ipiranga's facilities. This also is aimed at developing the skills and professional values of the participating employees.



Principles involved									
1	2		4	5	6		8		

In addition to these actions, volunteers from Ipiranga's distribution bases made reading rounds in nearby neighborhood schools.

In early August, Ipiranga conducted a blood donation campaign at its headquarters in Rio de Janeiro.

This year, as a Christmas Action, we invited the bases, pools and offices to join us in the "Natal Sem Fome" (Xmas without Hunger") campaign. The project's goal is to collect foodstuffs and distribute them to families in extreme situations in Brazil. We collected 2.5 tonnes of food from North to South of the country, with donations from headquarters, bases, pools, offices and distribution centers.

Ipiranga Volunteering



Principles involved									
1	2		4	5	6		8		

In the Right Lane Pact



Principles involved									
1	2		4	5					

To support the eradication of sexual exploitation on the highways, we support the Mão Certa (In the Right Lane) Program. Ipiranga is a signatory of the Business Pact against the Sexual Exploitation of Children and Adolescents on Brazilian Highways.

To make drivers aware of the issue, Ipiranga organizes a number of actions as part of the events put on during the Highway Health Program, through the distribution of educational materials. In addition, it discloses the Dial Human Rights telephone hotline number on the Ipiranga Highway Service Station radio program.

On May 18, *National Day to Combat Sexual Abuse and Exploitation of Children and Teenagers*, we conducted the “Faça Bonito” (Do Right) campaign, communicating the subject with LED strips on highway signposts, articles on the Ipiranga network portal, internal and external communication pieces over all internet channels, as well as the distribution of informational pamphlets. In this action, more than 8,000 pieces of educational materials were distributed.

In December, Childhood Brasil held the 12th Annual In The Right Lane Meeting. On that occasion, Ipiranga received an award for its support of the program's causes.

In celebration of the World Environment Day, Ipiranga held a free event focused on Environmental Education and awareness of children and teens at Quinta da Boa Vista, in São Cristóvão - RJ, a municipal park near the company's headquarters.

The event attracted more than 600 visitors throughout the day, who were able to meet and interact in a series of recreational activities such as theater pieces regarding waste disposal, games on climate change and recycling workshops, among other actions.

In partnership with the NGO OndAzul and support from the City of Rio de Janeiro, the event reached more than 10,000 people and 450 plant seedlings were distributed.



Sustainability Actions



Principles involved									
						7	8	9	



With a focus on results and improving the environment, Ipiranga introduced its cultural purpose and attributes, containing guidelines to help transform and strengthen the company's organizational culture in the coming years.

Among the bolstered attributes are #valeapena and #sejavocê, on issues involving quality of life, diversity and sustainability with employees, designed to empower them.

In one of the actions, Ipiranga discontinued the use of plastic cups in its restaurant and distributed reusable cups to all employees in its Headquarters Building. The concept was to engage the internal public about the need to change daily habits, such as reducing waste generation. In seven months, the initiative avoided the discarding of more than 100,000 plastic cups.

Sustainability Actions



Principles involved									
						7	8	9	

Health on the Highway



Principles involved									
1	2		4		6				

The Saúde na Estrada (Health on the Highway) Program was run for the 12th time in 2019. Over 500,000 people attended safety and quality of life actions for truck drivers and residents of the communities in near vicinity of highways.

Free of charge, the program offers tests for blood glucose, blood pressure, visual acuity, vaccines and wellness services, such as haircuts. The event is for people over 18 and exclusive at Ipiranga Rodo Rede Stations, formatted specially for highway users.

The Program also distributes informational materials that promote health and disease prevention, with the support of municipal and state agencies.

Through December 2019, there were more than 1,100 events organized, in over 180 municipalities and 23 states.

Eco-efficient Service Station



Principles involved									
						7	8	9	

Ipiranga’s Eco-Efficient Station merges environmental awareness with operational efficiency. In order to reduce energy and water consumption, Ipiranga's engineering teams offer their reseller customers the option of building, refurbishing and operating their complete service stations not only at the time of construction, but also and mainly, during the entire operation of the facility.

The concept is customized, featuring practical solutions ready for each client, with continuous technical curatorial work on sustainable construction techniques and always aware of new applicable technologies.

This project pioneered the introduction of specialized and recognized certifications in 100% LED lighting, with information about photovoltaic solar energy and other sources. More than 900 stations currently are using the complete concept, and in addition, the entire network already is involved in the eco-efficiency concept.



Ipiranga Committed Supplier Program

The Ipiranga Committed Supplier Program promotes supplier management, based on performance evaluations and incentives for good practices, such as sustainable, ethical and transparent conduct.

The Program has prepared a short publication, which must be read by new suppliers (see [this link](#)), in the effort to widely disseminate the main socio-environmental and business practices dealt with in its Suppliers Policy, available at portal.ipiranga/politicas.

In 2019, one of the actions organized was the Safety Workshop for suppliers of road and river transportation carriers, activities that are of great significance to our business. The event introduced subjects such as safety, innovation and productivity, generating debate regarding the sustainability of the business.



Principles involved									
1	2	3	4	5	6	7	8	9	10

Brazilian Pact for the Eradication of Slave Labor



Principles involved									
1	2		4	5					

Ipiranga has been a signatory to the National Pact for the Eradication of Slave Labor since 2014 and, through its association with InPACTO, the company fortifies its position in relation to ethical conduct, fundamental for maintaining the organization in the market in a sustainable manner.

Ipiranga continues to take into account the Blacklist published by the Ministry of Labor in its commercial relations.

In addition, it conducts training sessions/workshops with internal teams and representatives of its supply chain to educate, engage and reinforce developmental support actions for this topic.

Ipiranga created the Community and Environmentally Friendly Service Station program to promote opportunities in business to connect people for the purpose of promoting transformations. Therefore, through the program, the company encourages social and environmental impact actions in its more than 7,200 service stations spread throughout Brazil.

To be considered a Friendly Station by Ipiranga, the business' team must be engaged in actions that generate a positive impact for the community in the vicinity of the establishment. Among the initiatives Ipiranga supported in 2019 were warm clothing campaigns, blood donations, cleanup efforts, plus donations of books, personal hygiene materials and children's products to social assistance institutions.

To make the actions feasible, Ipiranga offers guidance on how to organize the campaigns and provides promotional materials to invite clients and neighbors to participate. In addition, spontaneous and creative campaigns by chain franchisees also receive support from the company.

Friendly Service Station



Principles involved									
						7	8	9	

Friendly Service Station

An example of the Friendly Station is Posto Ipiranga Líber, in the municipality of Pará de Minas (MG). This year alone, the business has already organized two animal adoption fairs. In partnership with the NGO 'SOS Bichinhos' and the pet products company Quatree, the events sought to contribute to the situation of abandoned animals. The result exceeded expectations: 37 of the 45 animals exhibited at the two fairs were adopted.



Principles involved									
						7	8	9	

Zero Carbon Program



Principles involved									
						7	8	9	

The Ipiranga Zero Carbon Program for more than 10 years has compensated 100% of the emissions resulting from Ipiranga's own operations and offers clients the option of neutralizing, engaging with and also acting in the business value chain. The Ipiranga Zero Carbon Program's actions encompass carbon management, ranging from measurement and reduction to offsetting greenhouse gas (GHG) emissions. In addition to its direct emissions, Ipiranga compensates the emissions of the Ipiranga Racing team in Stock Car races and events such as its Convention and New Year's Eve Party.

In 2019, on Tree Day, September 21, every amount of fuel sold through Ipiranga's Abastece Aí electronic payment application had its emissions offset with the purchase of carbon credits from forest conservation projects. The activation included the entire user base of the application, which has more than 6 million downloads, throughout Brazil.

Since 2012, the emissions inventory has been verified by a third party and published in the Public Emissions Registry platform developed by the Brazilian GHG Protocol Program, with a Gold seal.

Energy Efficiency



Principles involved									
						7	8	9	

In 2019, continuing the goal of providing guidelines for optimizing electricity consumption at Ipiranga's operating units, the Environmental Indicator Management Program was structured. The program includes the preparation of Good Practice Manuals and definition of goals to monitor the performance of the units, such as specific energy consumption (KWh/m³ of product handled).

In addition, in May 2019, Ipiranga's headquarters became a consumer of the Unregulated Energy Market, with electricity purchased from 100% renewable sources. In this model, energy is negotiated directly with the generators, without intermediation of the electricity concessionaire.

Energy efficiency solutions for transportation have been dealt with under the Green Brazil Logistics Program (PLVB). In 2019, Ipiranga participated in the publication of the Sustainability Excellence Guide: Good Practices for Cargo Transport. The document presents the results of 16 cases of application of projects implemented in activities related to the logistics and transportation chain, which contributed to the reduction of up to 30% of greenhouse gas (GHG) emissions, in addition to gains in energy efficiency and operational and cost reductions.

Ipiranga installed the first charging point for electric cars in Rio de Janeiro in 2016, in partnership with BMW. In 2018, the two companies, together with EDP, launched the first electric recharging corridor in Latin America, connecting Rio de Janeiro and São Paulo. Fast electric vehicle chargers were installed at six stations that connect the capitals, on the main Via Dutra highway. In addition to this corridor, Ipiranga saw an excellent business opportunity in this niche and offers free recharging at about 50 Ipiranga service stations throughout Brazil, serving the main European and Chinese car models, and plans to soon expand this offer to more brands.

In 2019, Ipiranga also invested its efforts in studies on how to improve the recharge process quality of service provision and efficiency at the service stations, together with startups and other companies that work in this field.

Electric Vehicle Recharging



Principles involved									
						7	8	9	

Safety Program



Principles involved									
1	2		4						

The Safety Program develops all of Ipiranga's safety actions, such as inspections at the company's units, investments in facilities and communication of safety guidelines to employees and stakeholders.

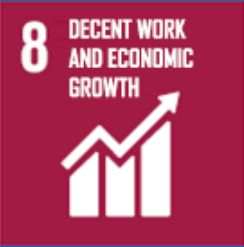
In 2019, the Business Continuity Plan was developed, designed to consolidate the crisis management, emergency response and operational contingency process within a single structure.

The 360° Safety campaign was launched in May 2019 to bolster the concept that safety — a strategic pillar at Ipiranga — must permeate all of our businesses.

The slogan was “Controlled risk, preserved life,” and the campaign was divided among the following topics:

- Strengthening risk perception
- Efficient control measures consistent with the risks
- Compliance with procedures
- Safety as an ally for quality of life

Safety Program



Principles involved									
1	2		4						

We conducted a cultural action featuring an immersive experience of virtual reality and a 360° photo. In addition, there was a quiz for all employees on Safety, totaling more than 1,400 participations. Furthermore, the operational units organized an event during Driver's Day week (July 25), with a video presentation reproducing tips on safe driving and a Quiz on preventive maintenance.

We also ran a photography contest on the theme "How does safety contribute to your quality of life?" The winners received a voucher for creating a photo album.

At the end of the year, the topic was how to act when something spirals out of normal. Based on the theme "Lessons I Learned," the campaign reinforced the existing communication channels and tools for accident prevention, to make work environments more collaborative and enhance individual experiences. To push the concept, five flipper machines were installed at Ipiranga's headquarters. The players' goal: to eliminate as fast as possible the 24 risk ghosts that emerged on six maps.

In 2019, SIGA+, a system offering Health, Safety, Environment, Quality and Social Responsibility (HSEQSR) management tools, conducted a review of internal procedures and structured the maintenance management system.

Ipiranga engaged the entire team in supplemental training, on subjects such as Waste Management, Risk Management and Emergencies, among others. In addition, it optimized the audit format, making the process more agile.

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.

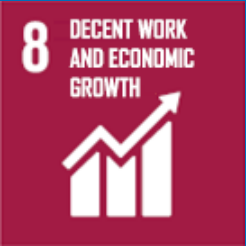
SIGA+ is based on ISO 9001, 14001 and OHSAS 18001 standards and, therefore, uses an internationally consolidated tool: the PDCA (Plan–Do–Check–Act) cycle. Ipiranga works its PDCA cycle like a spiral. At the end of each cycle, the system returns to the starting point, which is only possible through continuous improvement practices, proven by the qualitative and quantitative indicators.

SIGA+ Ipiranga Management System applied to Health, Safety, Environment, Quality and Social Responsibility



Principles involved									
1	2		4	5	6	7	8	9	10

Organizational climate survey



Principles involved									
1	2		4		6				

In 2019, Ipiranga conducted a new edition of its Climate Survey with its employees from all over Brazil.

This is an important management tool that contributes to increased engagement and improvements in the workplace environment and in the production process.

Employee participation aims to verify their perceptions and is carried out on a voluntary basis.

This year, the application of the Climate Survey at Ipiranga had an excellent adherence rate: 97%.

The results showed an internal favorability index of 74% according to an evaluation by Willis Towers Watson, a specialist company on the topic. With the surveys, action plans are being developed to focus on the improvement points found and to consolidate the positive results.

Sustainability Indicators



Princípios envolvidos									
1	2		4	4	6	7	8	9	10

Ipiranga manages its sustainability performance indicators. We are highlighting the **Safety, Environment, People, Products and Services and Value Chain Pillars**.

Pillar 1: Safety					
Indicator	2015	2016	2017	2018	2019
LOST TIME ACCIDENT RATE (PER MILLION HOURS WORKED) ¹	1.47	2.50	2.43	0.46	1.21
ACCIDENT RATE WITH NO LOST TIME (PER MILLION HOURS WORKED) ^{1;2}	0.33	0	0.76	0.31	0.46
NUMBER OF FATALITIES	1	0	0	0	0
<p>1. Rate is calculated based on the number of accidents/HH (calculated according to NBR 14.280) of the number of employees on 12/31/2018.</p> <p>2. The accident rate since 2015 has been recalculated following the pattern disclosed in QBR Ultra, including employees and outsourced workers. Until the AR 2018, only employees were included in the rate.</p>					

Sustainability Indicators



Princípios envolvidos									
1	2		4	4	6	7	8	9	10

Pillar 2: Environment

Indicator	2015	2016	2017	2018	2019*
EMISSIONS					
GHG EMISSIONS (SCOPE 1) (tCO ₂ e)	15,282	16,706	14,716	(12,838)	*
GHG EMISSIONS (SCOPE 2) (tCO ₂ e)	3,261	1,750	3,048	1,537	*
DIRECT AND INDIRECT GHG EMISSIONS, PER TON OF COMMERCIALIZED PRODUCT (tCO ₂ e)	0.001	0.001	0.001	0.001	*
WATER					
TOTAL WATER CONSUMPTION (M ³)	157,823	163,373	164,972	119,280	*
WATER CONSUMED (M ³) PER TON OF COMMERCIALIZED PRODUCT	0.01	0.01	0.01	0.01	*
ENERGY					
DIRECT, RENEWABLE AND NON-RENEWABLE ENERGY CONSUMPTION (GJ)	153,023	153,055	165,493	134,300	*
ENERGY CONSUMPTION (RENEWABLE AND NON-RENEWABLE) (GJ) PER TON OF SOLD PRODUCT	0.01	0.01	0.01	0.01	*
WASTE					
SOLID, NON-HAZARDOUS WASTE (TONS)	6,330	4,073	4,552	1,373	*
SOLID, NON-HAZARDOUS WASTE (TONS)	2,044	2,335	2,262	1,065	*

*Numbers will be published in the Public Emissions Registry 2020.

Sustainability Indicators



Princípios envolvidos									
1	2		4	4	6	7	8	9	10

Pillar 3: People

Indicator	2015	2016	2017	2018	2019
NUMBER OF EMPLOYEES 1	2,864	2,903	3,051	2,697	2,745
TURNOVER RATE (%)	12	16	15	16	21
PERFORMANCE ANALYSIS (%) 2	100	100	100	100	100
COMPETENCES ANALYSIS (%) 2	100	100	100	100	100
HOURS OF TRAINING PER EMPLOYEE	38	48	61	57	40

1. Does not include trainees

2. Percentage of employees who received performance and competency analysis

Pilar 4: Products and Services

Indicator	2015	2016	2017	2018	2019
CUSTOMER SATISFACTION INDEX (%) - BETWEEN SATISFIED AND VERY SATISFIED	n/a	80%	81.1%	93%	93%

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