COME AND TALK TO US

We are Puma Energy. We welcome your feedback and look forward to talking to you.

Puma Energy
1, Rue de Jargonnant
CH-1207 Geneva
Switzerland
enquiries@pumaenergy.com
In 2012, Puma Energy employed 5,129 people in over 36 countries across 5 continents. With 4.4 million m³ in storage capacity we handled 21 million m³ of oil products. We played a critical role in fuelling frontier growth in industry and transport.
Welcome to our first sustainability review. Puma Energy is an empowering energy business. We supply affordable, high quality oil products to frontier markets, fuelling development and positive change for customers, businesses, communities and countries.

To grow as a successful company we must win and maintain the trust of our stakeholders. This year we have worked hard to consolidate our efforts and benchmark ourselves against international best practice.

The result is this review and others going forward.
In 2012, we refined and developed the benchmarks we use to drive high standards in corporate behaviour, governance and risk management. We are working hard to adopt leading international benchmarks across our operations and made steady progress this year.

We also paused to reflect on an exciting 15-year period of growth. We have grown fast and integrating new systems and new people has been a major challenge. In the future, we are as likely to grow through organic investment as acquisition, but however we grow, we must achieve consistently high standards in all our operations.

In 2012, we refined and developed the benchmarks we use to drive high standards in corporate behaviour, governance and risk management. Our end objective is simple: to grow safely and responsibly in future.

In 2012 we received two awards from Communitas, the US-based pro-bono organisation, for our community work in Puerto Rico (Puma Energy Caribe, see page 25) and Angola (Pumangol, see page 13). Find out more about our work in the community on page 24.

After 15 years of investment and operation in frontier markets, we have grown in size and capability. We are helping to make a difference, economically and socially, in countries where rapid population growth and urbanisation continue to drive demand for infrastructure investment, and affordable, high quality oil products. Operating in these markets of course presents significant challenges and responsibilities, and in the following pages we describe how we meet them in our locations around the world. Though circumstances differ, the common thread running through them is our entrepreneurial, decentralised approach and the autonomy of our local operations under a common corporate HSEC policy framework.

New milestones, new challenges
As we mature as a global business and a sought-after partner for national governments and businesses, we face new challenges. At their heart is the need to balance local autonomy with the consistency and measurability required of a transnational organisation. So the key theme of this review is consolidation. 2012 was a year in which we formalised our management information systems: we established channels for reporting our progress, in the form of this review and others going forward; we reviewed our policies and approaches and began the process of setting key performance indicators (KPIs) in our core sustainability areas of economic development; health, safety and the environment; our people; and communities. These KPIs will drive reporting in the coming years. In line with our strategic vision, this year we continued to develop an effective, pragmatic and unbureaucratic approach for this new phase of our sustainability journey. We updated our Code of Business Conduct, which sets out our zero-tolerance policy towards corruption, and how stakeholders can report instances of non-compliance. We continued our approach to implementing CHAS 18001 and ISO14001 and 9001, this time at our major terminal expansion in Dubai, and across several operations in Africa. We also introduced more integrated HR processes and systems, and to ensure we recruit and nurture the right talent as we grow, we launched a comprehensive talent review.

A major achievement this year has been establishing the Puma Energy Fund, a philanthropic fund supporting local health and safety and community development programmes. On top of that, we are also active members of business confederations that support local community projects. In all our operations, ongoing dialogue, communication and transparency are key. This is exemplified in the construction and community outreach programme we undertook in Bayamón, Puerto Rico this year.

Our challenge going forward is to continue to improve, and work towards achieving best practice in environmental, social and governance issues throughout our business. I am confident we can do so while retaining the entrepreneurial qualities that have shaped our success so far.
About Puma Energy

OUR COMPANY AT A GLANCE

We supply high quality oil products to business and retail customers in over 30 countries across five continents: fuelling frontier growth where it makes a difference for millions of people.

DOWNSTREAM
Puma Energy distributes fuel to business and retail customers. We source and supply a wide range of oil products for the downstream market, including fuel oil, gasoline, diesel, jet, LPG, aviation fuel, bitumen and lubricants.

Distribution
We organise our supply activities to ensure a seamless interface between international oil markets and our local distributors.

Aviation
We provide consistently high quality products and services to airlines, aircraft operators and aircraft owners across Latin America and Africa.

Retail
We have national networks in many African countries. We are a leading retailer in Central and South America, approaching over 1,300 service stations globally.

Wholesale & B2B
We supply a broad range of industries with fuel and lubricants. Our business customers value our ability to deliver high quality fuel products safely, reliably and cost effectively.

About Puma Energy

MIDSTREAM
Puma Energy’s midstream operations support our own downstream activities. We own and operate high quality infrastructure on five continents. We also lease storage capacity to third parties. Our storage facilities support trade flows and enhance liquidity for wholesale operators within regional and national markets.

1 Bunkering
We are delivering swifter, more efficient bunkering solutions. Our modern fleet of bunker vessels is specifically adapted to service offshore rigs.

2 Marine systems
We receive and deliver oil products through a number of marine facilities. We have also developed a strong competence in marine infrastructure and operations.

3 Storage
In midstream markets, purpose-built terminals give customers access to high quality storage.

4 Refining
We own and operate refining assets where it makes sense to do so given the logic of supply in a specific location.

5 Transportation
Our transportation networks encompass road, rail and sea, operating 24/7/365 to ensure prompt and efficient delivery.

6

7

8

9

Distribution
Aviation
Retail
Wholesale & B2B

Americas
Africa
Europe
MEAP
Worldwide

Terminal capacity
1.4m³
0.6m³
1.1m³
1.4m³
4.5m³

Service stations
992
301
0
0
1,293

Employees
1,487
451
0
0
2,989

Service stations
0
0
0
0
1,293

Employees
0
0
0
0
5,129

Terminal capacity
0.6m³
1.6m³
1.1m³
1.4m³
4.5m³

Service stations
2,989
0
0
0
451

Employees
5,129
0
0
0
0

Terminal capacity
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Our transportation networks encompass road, rail and sea, operating 24/7/365 to ensure prompt and efficient delivery.

We supply high quality oil products to business and retail customers in over 30 countries across five continents: fuelling frontier growth where it makes a difference for millions of people.
Our approach

We empower people on the ground to make decisions. We invest in host countries’ economies and infrastructure. We hire local people whenever we can, build strong relationships with local communities and create the conditions for shared and lasting prosperity. We control and manage local risks through our comprehensive Group-wide management framework.

Our statement of commitment

We are committed to operating our business in a responsible, safe and ethical manner. We protect our employees, the environment and the communities we operate in from adverse impacts caused by our activities. Our continued success is bolstered by a long-term approach to decision making. Integrity and honesty are also at the heart of what we do.

Our sustainability journey

We are growing fast. This year alone, we acquired seven new businesses, grew by 50%+ and added an additional 1,443 employees to the Puma group.

Our guiding principles

We are guided by the principles of the United Nations Global Compact and by adopting leading benchmarks, we aim to:

- Comply fully with all applicable domestic and international regulatory requirements
- Minimise adverse impacts on people, the environment, and local communities
- Maximise our contribution as a strategic partner in frontier markets

Every employee is bound by our health, safety, environment and community policies and we expect our business partners, suppliers and contractors to help us implement them along the value chain. We focus on four key themes:

- Health, safety and the environment - We operate in remote parts of the world, often with limited back-up. It is important that we set the highest safety and environmental standards in these frontier locations – exceeding local requirements if necessary.
- Our people - We value and trust our people to do what is best. Our devolved structure gives local managers responsibility on the ground.
- Communities - We work with local communities and employ local people. We contribute wealth, resources and expertise to local economies.
- Economic development - Cost-effective, reliable fuel distribution simplifies supply chains, mobilises people and connects urban and rural areas. The more we contribute to national prosperity, the more sustainable our business becomes.

See our major non-financial risks on pages 8-9.

Our approach

Our approach to decision making. Integrity and honesty are also at the heart of what we do.

Building a risk-aware organisation

We need to identify and reduce risks to our operations by taking appropriate actions. We use a risk management framework and materiality matrix to ensure we address the most relevant issues.

We store and transport combustible materials. We operate in remote areas and do business in fast-developing regulatory environments. To manage these and other risks successfully we must understand them in detail. We must be a risk-aware organisation in every respect.

We use a well-proven risk process to assess non-financial risks and improve the way we respond to them. We aim to identify and respond to internal and external risks swiftly and effectively. If we can reduce risks, we do so. If this is not possible, we have to find ways to manage them.

Our risk management framework

We use our comprehensive risk management framework to identify and respond to internal and external risks swiftly and effectively. If we can reduce risks, we do so. If this is not possible, we have to find ways to manage them.

Our materiality matrix

In 2012, our Executive Committee developed a ‘materiality matrix’ to improve the way we manage specific incidents, by grading the likelihood and impact of a wide range of risks, including: injury and illness; environmental factors; social and cultural concerns; community; government; media; and reputational issues. We are currently developing detailed response plans to improve the way we share information about incidents and respond to them.

As it evolves, the matrix, which should be rolled out in full during 2013, will play an increasingly central role in helping us prevent and manage incidents.

Our materiality matrix

<table>
<thead>
<tr>
<th>Stakeholder materiality</th>
<th>Business risk impact/Likelihood</th>
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<tr>
<td>Low</td>
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</tr>
</tbody>
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Puma Energy materiality matrix

1. Health and Safety
2. Employee / talent management
3. Environment
4. Standards
5. Business ethics
6. Public storage & supply infrastructure
7. Communities
8. Contractor management

Improvements in 2013

In this review and through other communication channels, we aim to explain how we manage the risks that matter most to us and to our stakeholders. We also know that we need to formalise the way we engage stakeholders on this issue, which is why we have made it one of our key objectives for 2013. We will provide more detail about stakeholder engagement in our next Sustainability Review.
Below is an overview of the main non-financial risks facing our business in 2012 and what we are doing to mitigate them.

**Major non-financial risks in 2012**

### TYPE AND DESCRIPTION IMPACT MITIGATION READ MORE

#### HUMAN RESOURCES RISK

**Health and safety**
- Failure to maintain safety management as a priority can result in harm to Puma Energy's employees, contractors, communities near our operations and damage to the environment.
  - On top of injury, health and environmental damage, impacts may include fines, liability to employees or third parties, and harm to reputation.
  - Government authorities may also force closure of operations or refuse permit applications.
  - We abide by international safety standards and apply a globally consistent approach to safety risks.
  - Our safety risk management process, SAPS, also uses a point-scoring system to calculate the probability of material breakdown in safety conditions.
  - Read more on p. 18

**Employees/talent management**
- Failure to recruit and develop skilled employees may lead to skills shortages, increased costs, disruptions and delays. While prolonged industrial disputes will affect costs and operational results.
  - Local operational autonomy will help Puma Energy attract talent, while investment in employee training and on-boarding workshops for employees from acquired businesses will help retain it.
  - Read more on p. 22

#### OPERATIONAL RISK

**Environment**
- Potential financial impacts include fines, penalties and statutory liability for environmental remediation.
  - Governments may also force closure on a temporary or permanent basis, or refuse future licensing applications.
  - Read more on p. 17

**Puma Energy’s ability to recruit, develop and retain talent is crucial to the continuing growth of the business.**

**Operational risk**
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  - Read more on p. 22

**Standards**
- The oil industry is highly regulated in all of the countries where Puma Energy conducts business. Failure to comply is harmful to both the Company’s faculty to keep its operating licences and its reputation.
  - We work with our third parties and continually promote standards across global operations. Also every country operation has, or is in the process of obtaining ISO accreditation.
  - Concerning industrial safety, we continuously promote Puma Energy’s Safety Management System.
  - Read more on p. 16

**Unreliable or missing roads, rails, pipelines and harbours cause disruptions to the Puma Energy’s logistics flow and could hamper our ability to deliver products and services.**

- Read more on p. 22

**Puma Energy is a shareholder member of Oil Spill Response Ltd (OSRL). OSRL is part of the Global Response Network, a collaboration of seven major oil industry-funded, spill response organisations. Puma Energy is a full member of CCA, Clean Caribbean & Americas (CCA).**

- Read more on p. 17

**Puma Energy stores and transports hazardous, flammable and toxic materials. Seepage from site operations and/or in transit may harm Puma Energy’s employees, contractors and local communities.**

- Read more on p. 17

**Failure to comply with standards, causes higher costs and lower efficiency, and directly impacts operational results and asset values. It may also affect Puma Energy’s reputation and its licence to operate.**

- A reputation of disputable standard compliance may also make it more difficult to be seen as a proper suitor for new business acquisitions.

- Read more on p. 16

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**Puma Energy’s logistics flow and could hamper our ability to deliver products and services.**

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**Disputes with communities in the vicinity of Puma Energy’s operations.**

- Failure to manage relationships with local communities, government and NGOs may disrupt operations, adversely affect the Group’s reputation and undermine its social legitimacy.

- Read more on p. 26

**Our devolved management structure helps as it promotes local empowerment and ensures our business’s priorities are aligned with those of local communities.**

- Read more on p. 26

**Contractor management**
- Contractors might not have the resources and skills to meet our business needs.
  - Disruption of operations or increased costs may arise if key contractors are not available to meet operational needs. Delays in start-up of new projects may also occur.

- Read more on p. 13

**Puma Energy is permanently looking for solutions to avoid bottlenecks – for instance by identifying multiple logistic routes and supply schemes to any major location.**

- Read more on p. 12

**Puma Energy expects all employees to sign up to its Code of Business Conduct. Policies and awareness programmes are in place to make that happen. The Group’s internal control environment is designed to prevent fraud and is regularly reviewed by an internal audit team.**

- Read more on p. 13

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- Read more on p. 13
We operate in frontier markets, where the potential for growth is often hampered by poor infrastructure and sporadic fuel supply. We deliver the security of supply and help build the quality infrastructure needed to sustain economic growth.

Enabling growth in the Democratic Republic of Congo (DRC), in the DRC we operate more than 30 service stations. We also have a network of barges and floating stations along the Congo River to supply landlocked villages and forestry companies with fuel. Providing fuel in this way has played a key part in the growth of industries like mining within the country.
We enter markets with growth potential, aiming to play a central role in their economic development by providing infrastructure, jobs and affordable fuel. Helping them to create sustained growth in this way unlocks new opportunities for our business.

Economic development

Creating Sustained Growth

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Our approach

Our approach is consistent wherever we operate: we fuel economic growth through the infrastructure we build, including roads and ports – often working in partnership with state-sponsored organisations. When possible we work with local suppliers and always introduce the high standards set out in our Code of Business conduct. We engage with government, business and communities in a transparent, fair and respectful way.

Providing infrastructure

We often work in partnership with state-sponsored organisations on complex infrastructure projects. For example, in Vietnam we are poised to help the Government overcome several infrastructure bottlenecks – including a very limited road network in urgent need of repair. Freight and passenger road traffic is growing by 12-17% annually, so our investment to improve existing roads and create new national expressways is urgently needed.

Fueling economic development

In some countries a substantial proportion of all fuels and lubricants are distributed through Puma Energy terminals, to key wealth producers, including mining, manufacturing and construction companies as well as smaller local businesses and individuals. They all need fuel for their machinery, vehicles and generators. Our service stations also keep vehicles on the road, and increase commerce between cities, towns and villages.

We currently have contracts with about 3,000 suppliers, including global and local businesses. We buy everything from heavy equipment such as underground storage tanks, to individual coffee machines for use in our service stations. Following recent acquisitions, we have carried out extensive construction work to improve our facilities – commissioning external experts to complete the design, engineering and construction work involved. An experienced Puma Energy team currently directs and oversees the work of around 1,000 consultants and subcontractors.

Projects of this type and scale often generate a great many new jobs for local people. For instance, in our facilities in Puerto Rico we employ more than 300 contractors.

We have also introduced face-to-face and online training to ensure employees understand the Code’s content and application, with more than 1,000 of our employees completing this during 2012. No fraud or anti-competitive cases have been brought against Puma Energy since we were created in 2007.

Preventing fraud and anti-competitive behaviour

In 2012 we updated our Code of Business Conduct, which explains our approach to business ethics and sets out procedures for managing related risks. The Code forms a key part of all employee contracts. It requires us to:

• Enforce a zero-tolerance approach to corruption, including extortion and bribery
• Encourage employees, suppliers and other stakeholders to notify us if they believe the code is at risk of being, or has been, contravened.

We are working with Sonangol, the Angolan energy conglomerate, to support sustainable growth in Angola. For example, we are creating a national network of service stations. Through the Puma Fund we also provide 100% funding for various building projects like medical centres and schools. So far we have provided employment for over 2,500 people. We have opened 44 service stations, including to parts of the country that have not seen a service station for 50 years, and we have laid 6,000km of new road.

Fuelling Change Fuelling Change

US$8.4m
spent on infrastructure for local benefit

US$1.5bn
spent on locally purchased goods and services

1,000+
people trained on Code of Business Conduct in 2012

ANGOLA

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Fueling local suppliers

We buy some goods and services centrally, but our Procurement & Purchasing Policy commits us to use local suppliers when this is possible and economically viable. We require all our major suppliers to match our HSEC standards and all relevant legislation. We take positive steps to help local suppliers meet these standards if we can, because we know local businesses generate local economic benefits and strengthen our ties with local communities.

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Health, safety & environment

SETTING THE HIGHEST STANDARDS

We store and transport oil products in locations where best practice safety standards are not always enforced and rescue services are limited. In these frontier locations we set our own high standards, using international best practice as our benchmark.

Tanzania: In line with the remedial programme covering sites we acquire, we are implementing ISO9001 and ISO14001 standards at our Dar es Salaam terminal in Tanzania.
Health, safety & environment

SETTING THE HIGHEST STANDARDS

We set standards in health, safety and environmental management that go beyond legal compliance. We aim to create a better environment for employees and others affected by our operations, while also protecting our business interests.

Our approach
We believe high HSE standards are essential to sustained growth; so HSE is integral to our business and operational planning. We always invest to bring new acquisitions up to our high HSE standards.

This approach brings multiple benefits. It strengthens our reputation as a responsible business and good employer. It also gives us a commercial edge – improving reliability and increasing customer satisfaction.

A strategic priority
Creating a safe, healthy and responsible operating environment is our top priority – which is why our executive committee sets and regularly reviews our HSE Policy. In 2012, we created new policies covering biodiversity, water management, hazardous materials and energy use.

HSE management and training
We believe personal accountability for HSE issues is essential to supporting operational performance. That is why our managers ‘own’ their own sites and are accountable for them. That said they can also draw on the help of experts from other sites, and in high-risk areas we conduct OSRL assessments. In addition, on-site HSE co-ordinators oversee training, conduct annual safety audits and generally provide advice and guidance; while objectivity is assured by HSEC compliance teams, who audit sites other than their own.

Raising standards
We acquire existing facilities through acquisition and increasingly build new ones from scratch. When considering an acquisition, we evaluate all facilities as part of the due diligence process. Once acquired, we take steps to bring all facilities up to our own standards. We set the same standards for brand new construction projects.

Our benchmark is always international best practice, even where this exceeds local regulatory requirements. For new storage acquisitions we apply:

- API (American Petroleum Institute API650/653), the gold standard for storage tank design and maintenance
- NFPA30 (National Fire Protection Association) for flammable and combustible liquids
- OSHA (Occupational Safety and Health Administration) and US regulation for firefighting.

For example, to combat corrosion we design thicker, longer lasting steel plates. This may cost more in the short term but pays off in the long run. Whenever possible, we also floor the secondary containment around our tanks with concrete – a measure that reduces the risk of spillage or seepage.

At operational facilities we apply ISGOTT (International Safety Guidelines for Oil Tankers and Terminals). We are also working towards ISO9001 (quality management) certification in all our operations, and ISO14001 (environmental management) certification where appropriate. We have made considerable progress in this in 2012, and are on course to achieve ISO14001 certification at six additional sites in 2013.

Our key HSE risk areas

- Storage – fuel loss from storage facilities can pollute surface and groundwater
- Fuel evaporation – evaporation can produce volatile gases and unpleasant odours. It also results in a direct loss of our product. So for both environmental and business reasons we have added ‘floating roofs’ and vapour recovery units at our recently acquired terminal (see page 19).
- Spills – oil products can seep into groundwater or the ocean, which is why we have equipment and procedures in place to recover spilt oil as quickly as possible. These precautions paid off in September 2012 when we rapidly cleaned up six cubic metres of oil spilt at our Abidjan terminal

- Road transport – driver safety is a high priority for us, especially in Africa, where we have introduced safety training for drivers and participated in a wide range of road safety initiatives. We spread awareness through initiatives such as our road safety radio show in Zambia. We support national road safety campaigns and use the latest tracking technology to improve driver behaviour. In line with our Purchasing & Procurement Policy we also expect transport companies to match our safety standards.

ASIA

Improving facilities in Indonesia

Puma recently formed PT Puma Medco Petroleum with the leading fuel distribution business in Indonesia. We took over a large terminal and deep-water jetty in Jakarta, and a floating terminal in Sumatra. We have brought in engineers to conduct an HSE assessment, and as members of Oil Spill Response Ltd (OSRL) we will have their assessment of our oil spill risk. All the reports will be analysed by the terminal’s experienced management team, who are keen to bring the sites up to international standards in health, safety, security and environmental protection.

Oil Spill Response membership

In many parts of the world the systems in place to deal with oil spills are very basic. Puma Energy is a shareholder member of Oil Spill Response Ltd (OSRL) – an industry collective working to prevent and mitigate spills around the world. Membership helps us achieve a prompt response, a strong link to best practice and delivers benefits such as annual ‘Preparedness Reviews’. We are proud to be the only mid and downstream supplier to be a full shareholder member of OSRL.
Safety management system
We have introduced our bespoke safety management system, SAPS (Systems, Application and Products), at all Puma terminals. We use SAPS to monitor the frequency and severity of accidents and lost-time incidents. This helps us to assess safety levels and identify potential risk factors. The SAPS system requires employees to critically appraise their own actions and potential risks, so it is a useful model to apply in other areas of our business. Consequently, in 2012 we extended it to cover our refineries and also our retail outlets – ‘public’ sites that can be particularly hard to monitor and control. We implement SAPS training at all acquired facilities. In 2012 we sent employees from our Central American operations to ‘train the trainers’ at newly acquired sites in Africa. We also held a two-day conference in Estonia for our HSE co-ordinators worldwide at which they shared their experience of implementing SAPS and devised plans to improve the system.

Managing our environmental impacts
We acknowledge that emission of greenhouse gases is a major global challenge, and we support policies that address climate change without unduly restricting emerging economies in meeting their growing demand for secure, affordable energy. In our own operations, we focus on:

- **Energy use** – introducing energy-efficient equipment whenever possible and using renewable fuel where economically viable
- **Water use** – we run fire-fighting drills, which consume large amounts of water, but are clearly an important aspect of safety performance and cannot be compromised. However, where possible we use seawater. We commit to measuring fresh water use in our primary facilities in 2013 and commit to reporting back on it in 2014.

Helping customers improve energy efficiency
Many of our customers are in major energy-consuming industries such as railways, road haulage and mining. We help them reduce their fuel usage through our Total Fuel Management (TFM) programme.

TFM looks at every aspect of a client’s fuel needs, from security of supply to waste management. It identifies how activities such as better maintenance or training can improve fuel and usage costs. For example, in Tanzania we have a five-year contract with the Geita gold mine to help measure, manage and decrease energy consumption. We are on course to help Geita achieve estimated energy and carbon emission reductions of 8-12% by the end of the contract, with estimated cost savings of more than $5m.

We can also help our industrial customers track fuel consumption by tagging each vehicle and machine so that it registers the volume of fuel it receives. Using data from a series of collection points, we can work out how the vehicle or machine was used, identify anomalies and advise the customer on maintenance issues, driver training needs and opportunities to save costs. We also work with our own transport partners to ensure their maintenance programmes and driver management systems are being run effectively and to our standards.

Going forward
We are in the process of formalising our commitments and establishing KPIs on energy use and carbon emissions. We will continue our site upgrades and work towards ISO certification at six more sites. We also plan to report our fresh water usage as soon as we can do accurately.

**80%+**
of our terminals are API650 compliant

**MIDDLE EAST**
Doing better business in Dubai
When our subsidiary Puma Energy Gulf acquired a 12-tank terminal in the Jebel Ali Free Zone oil hub, it gained significant market share in one of the Middle East’s biggest oil-blending centres. As part of our storage strategy, we have been working to integrate this acquisition technically and in terms of HSE by:
- Bringing it up to international environmental standards for Volatile Organic Compound (VOC) emissions
- Adding seven tanks fitted with ‘floating roofs’ to reduce product evaporation – both a safety risk and a business risk.
Our people

REALISING POTENTIAL IN PEOPLE

Hiring people locally is fundamental to our business strategy, and the diversity of nationalities, cultures and experience across our team is one of our great strengths. We train our people well and trust them to excel.

In 2012 alone, we acquired a further seven businesses and 1,443 employees. Our ongoing challenge is to develop our people and maintain ‘the Puma way’ of working.

- 97% Percentage of staff hired locally in 2012
- 5,000+ Full-time employees
- 30+ Countries
- 476 Direct hires (employees) in 2012
- 39 Average age of employees
- 5 Continents

In 2012 alone, we acquired a further seven businesses and 1,443 employees. Our ongoing challenge is to develop our people and maintain ‘the Puma way’ of working.
Our people
REALISING POTENTIAL IN PEOPLE

In 2012 we employed more than 5,000 people worldwide. We are working hard to develop the HR infrastructure needed to deliver consistent standards in training and talent management – while retaining the entrepreneurial independence that has driven our success.

Our approach
The words trust and innovation sum up our approach to human capital. We trust the people who work for us to take responsibility for their actions and for the actions of others; we know they relish this professional freedom. We invest in their talents, too – providing the support, the systems and the training they need to be the best.

We value local decision making but also want to achieve greater consistency; so, in 2011 we launched our global performance management system, introducing regular performance reviews and clear goal setting. Building on this, in 2012 we launched new talent management and leadership development programmes.

Maintaining the ‘Puma way’
As we grow, we need to be able to integrate people quickly into the ‘Puma way’. This is a way of working that encourages people to spot opportunities and grab them. The Puma way celebrates driven people with a can-do attitude, and people who are in touch with our customers’ needs.

To embed this way of working we use our HR processes for bonuses, salary review and talent management. For example, our bonus system is based entirely on a person’s contribution to the organisation, with health and safety included in their performance objectives.

Training and development
Most of our training is on the job, but we also invest significantly to provide more formalised in-house or classroom-based training when necessary. This is essential for our technical teams at refineries, terminals and airports. We also provide competency-based training covering sales, presentation and negotiation skills for each of our country operations. During 2012, we reconstructed a ‘service station’ training facility in Angola.

Leadership development
In 2012 we launched our new Leadership Development Programme. Around 30 of our top-potential managers have enrolled on the programme. During 2013 we will extend the programme to other high-potential managers around the world.

Talent management
To make sure we have the right people in the right roles, in 2012 we worked with a specialist consultancy to get a picture of our talent, skill gaps, the career development we offer, and the succession planning we have in place. It assessed performance and potential at country, regional and global level. The results:

- Identify and define the talent we have in our organisation. This is especially important given our rate of growth and acquisitions.
- Identify high-potential individuals on the one side, and skill gaps on the other. This allows us to plan how to develop our potential, and the talent pipeline we need in order to sustain our company in the years to come.
- Develop a consistent calibration of talent across the various regions in which we operate.

Going forward
Thanks to the talent management review in 2012, we now have the following concrete actions (with special emphasis on developing potential):

- To focus on learning & development and create a ‘learning culture’ in the organisation.
- To do more to integrate our new acquisitions into Puma and the Puma way of working.
- To develop local talent more. Steps to do this include our planned development programme for talented Angolans and a potential Pan-African high-potential development programme.
- To do more to integrate our new acquisitions into Puma and the Puma way of working.
- To develop a dashboard of core HR KPIs to drive workforce planning and business partnership.

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**Central America**

Efficiency and dialogue facilitate change

How do you integrate 900 new employees into a business? This was the challenge we faced when we acquired ExxonMobil’s Central American fuels marketing and supply businesses in March 2012. We met the challenge thanks to a dynamic HR campaign that has provided us blueprint large scale integration programmes in future. As part of the campaign in Central America, our HR team managed logistics and process migration while keeping new staff in the loop with regular communication. They also organised a workshop at which Pumas and ExxonMobil managers discussed our entrepreneurial way of working.

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**Staff numbers**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td>Percentage of locals in senior management</td>
<td>69%</td>
<td>69%</td>
<td>69%</td>
</tr>
<tr>
<td>Percentage of local hires</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td>Percentage of employees receiving regular performance and career development reviews</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
</tbody>
</table>

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22 Fueling Change
Fueling Change 23
Many of our employees and customers live and work in communities close to our operations. We engage with our communities to earn their trust and to discover how we can operate in ways that are mutually beneficial for them and us.

Puerto Rico: In 2011, Puma Energy Caribe acquired a terminal in Bayamón partially destroyed by fire. Today we are rebuilding the terminal and carrying out the environmental clean-up. We are involving the local community every step of the way.
Communities

ENGAGING COMMUNITIES THROUGH DIALOGUE

We are not just part of the communities in which we operate. Because of the nature of our operations, we help communities to function and connect them together. This is an important responsibility. So we work closely with communities to earn their trust and find out how we can operate to everyone’s mutual benefit.

Our approach

We aim to make a positive contribution to local communities and to reduce the risk of negative social, environmental and economic impacts. To do this we always assess the social, human rights, environmental and economic risks inherent in our operations; we also promote local trade, recruit local people and keep them informed about what we are doing.

Hiring local people and suppliers embeds us in local communities. Trusting local managers to run our operations at ground level means we understand the issues our neighbours face.

Active dialogue around our sites

We think carefully about how our operations can best meet the needs of local people. Nonetheless, operating close to local communities presents new risks and often concerns local people, so it is important that we operate transparently and maintain dialogue to avoid problems before they arise. For example, at our Alexela terminal in Estonia, many local people were worried about the facility’s environmental impacts. You can read more about this on page 27.

Another example is the Puma Energy Caribe facility in Puerto Rico. In November 2012, low water levels in a settling lagoon (where wastewater is treated) led to an increase in algae decomposition, which produced a harmless but unpleasant odour. We treated the lagoon with safe antioxidants to resolve the issue, keeping community leaders and local media informed about our plans every step of the way.

Addressing pressing problems

To strengthen our relationships with local communities we do what we can to help them address the problems they face. This often involves fixing practical problems, for example helping with the clean-up after a natural disaster or industrial accident.

In 2012, we stepped in in the aftermath of a freight train crash on the Tanzania-Zambia Railway. The train, operated by TAZARA, was carrying 450,000 litres of our diesel among its load. The train derailed in the semi-rural Mbeya District, posing a risk of pollution and associated health problems to people in nearby villages.

We brought in a team of environmental engineers to carry out a remediation programme, including ongoing soil treatment. TAZARA Managing Director, Mr. Akashambatwa Mbikusita-Lewanika and the Hon. Ezekiel Maige, Minister of Transport commended Puma Energy for the gesture of helping with TAZARA’s accident, observing that it was an “exemplary demonstration of corporate social responsibility.” “This gesture by Puma Energy encourages and inspires TAZARA to be more conscious with regard to our human responsibility towards better husbanding of our environment.”

We generally support the causes within communities that are most important to our employees. This year in Paraguay we joined the corporate volunteering programme of TECHO Paraguay, an NGO working in Latin America and the Caribbean to alleviate poverty. Employees of Puma Energy Paraguay built four emergency housing units close to the capital, Asuncion.

A new Community Relations Policy

To ensure greater consistency in our approach to community engagement, we have developed a comprehensive Community Relations Policy, which will be rolled out in 2013.

The policy builds on the ‘inclusive’ approach to planning we have developed over several years. Thanks in part to this inclusive approach there were no community disputes involving our operations during 2012.

Going forward

One of the key reasons for developing a new community policy was to align our approach to community activity across all our operations. That way we can adopt a consistent approach wherever we are, and get real momentum behind it.

Rolling this new policy out will be our main focus in 2013. We are also planning to increase the amount of financial support we give. We shall be focusing particularly on road safety in Africa, one of the issues that we have learned really matters to the communities in which we work. This will include supporting African governments with several road-safety initiatives.

“This gesture by Puma Energy encourages and inspires TAZARA to be more conscious with regard to our human responsibility towards better husbanding of our environment.”

ESTONIA

Active participation

Our terminal at Paldiski on Estonia’s northeast coast is ISO9001 and 14001 certified, but many local people were worried about its environmental impacts. We responded in an open and transparent way, explaining clearly what we were doing and why. We installed a system which monitors air quality around the site 24/7 and built a website that gives real-time data on hydrocarbon levels. We now hold a site open day every year and through our membership of a local business confederation, support the NGO New Wave, which runs local community and school projects.

Engaging Communities

THROUGH DIALOGUE

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To support Puma businesses and their local communities we established the Puma Energy Fund this year. The Fund supports local projects and organisations working to achieve positive change in education, the environment, health and disability, rural development, social inclusion and social entrepreneurship.

Alive & Kicking: football-stitching social enterprise, Ghana: This social enterprise provides fairly paid jobs making affordable sports balls. They also educate young people about HIV/AIDS. In 2012 we supported a new workshop in Ghana that employs 16 people.
The Puma Energy Fund

SUPPORTING LASTING CHANGE

The Puma Energy Fund aims to create genuine, positive and lasting change, aligning its work with Puma’s broader activities in the regions and communities in which we operate. It will become a fully-fledged fund in 2013.

History and management

The Puma Energy Fund made its first grants at the end of 2012, having assumed responsibility for 10 programmes previously supported by the Trafigura Foundation, the philanthropic arm of Trafigura, some of which had been running since 2008. A steering group comprising senior employees will meet quarterly to ensure the Puma Energy Fund stays focused on its objectives.

Supported programmes

The amount available for Puma Energy Fund grants is aligned to our business results, in 2012 it stood at US$2 million. We focus our grants on long-term programmes run by charities and NGOs – prioritising those connected to communities close to our operations, that have the potential to bring about lasting change in sustainable development, education and integration, and health. We support initiatives in Africa and Latin America, and as we expand in Asia we will help fund programmes there.

The Puma Energy Fund will in the future also support employees who wish to participate in sponsored programmes and will match employee donations to relief appeals and other charities.

Grants available from the Puma Fund

US$2m

10 programmes across 10 countries

AFRICA

North Star Alliance: truck-driver health facilities

Truck drivers in Africa are particularly vulnerable to HIV/AIDS. In 2012, 200,000 people visited North Star’s Roadside Wellness Centres across 30 locations. In December 2012, North Star opened their first Roadside Wellness Centre in West Africa in the Gambia.

HONDURAS

Fundación Abrigo: Shelter for low-income patients

Over 69,000 people were welcomed and 174,000 meals served at Abrigo’s temporary shelters for rural people travelling long distances to medical centres.

CONGO, IVORY COAST AND CAMEROON

IECD: support for micro and small enterprises

The IECD brings training and support to small entrepreneurs in Africa. In 2012, more than 1,500 entrepreneurs improved their management and business skills through IECD’s training courses.

CONGO-BRAZZAVILLE

Initiative Développement: Agricultural development

We support this programme to develop local agriculture and fish breeding, and improve the physical roads to market. In 2012 the programme reached 13,000 people in the Pool district community.

PARAGUAY

Fundación Dequení: Education and social integration

Our staff in Paraguay organise fundraising activities for Dequení, which provides education, nutrition and health services to disadvantaged communities. This year 150 children received nutritional supplements, and 150 after-school coaching.

HONDURAS

Taular: Education for low-income students

Fundación Taular promotes academic excellence by training high-achieving students from low-income backgrounds and providing financial aid towards the teachers’ salaries. To date, Taular has delivered IT training courses to 275 students between 13 and 17 years old.

MOZAMBIQUE

ESSOR: Community development

In 2012, the programme which aims to promote pre-school education in low-income communities in Maputo and Beira benefited a total of 1,360 people.

CONGO, IVORY COAST AND CAMEROON

IECD: Support for micro and small enterprises

Over 69,000 people were welcomed and 174,000 meals served at Abrigo’s temporary shelters for rural people travelling long distances to medical centres.

MOZAMBIQUE

Access to safe water and sanitation

In 2012, 33 protected water points were built or rehabilitated, providing access to drinking water to more than 13,000 people; 3,400 family latrines were under construction, designed for more than 17,000 beneficiaries.
Governance

MANAGING SUSTAINABILITY

We manage sustainability by adapting governance systems, used successfully for many years by Trafigura, to meet our specific needs.

Our approach
To maximise resources and efficiency, and to make sure our whole organisation is properly and consistently managed, we have a company-wide sustainability governance structure. Our Health, Safety, Environment and Communities (HSEC) Steering Group advises the business on all sustainability matters. It is represented at Supervisory Board level by the HSEC Chair.

Additional working groups oversee our specific strategic, technical, operational and community projects. For example, in 2012 an IT working group was set up to launch a new global IT system for managing sustainability processes, procedures and performance data. With roll-out scheduled for mid 2013, the new system will allow us to monitor and report on our sustainability performance.

In 2012 we commissioned Arcadis to undertake a sustainability assessment for us. Below is their comment on the work they did for Puma Energy.

A comment from Arcadis and Connexis
In 2012, the engineering and consultancy firm ARCADIS in collaboration with Swiss Connexis AG performed a Sustainability Assessment of Puma Energy’s corporate HSEC management system. Environmental, Social, and Governance policies, systems, and procedures were assessed against IFC Standards and GRI indicators by interviews and document analysis. A target line was defined to meet GRI O&G reporting requirements and a gap-analysis was performed. Safety policies, systems and procedures appeared to be well developed. Areas of improvement were identified regarding environmental and social topics, leading to a re-design of the HSEC policy framework.

Our HSEC governance structure

<table>
<thead>
<tr>
<th>Executive committee</th>
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<tbody>
<tr>
<td>HSEC Steering Group</td>
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<tr>
<td>Working Groups</td>
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</tbody>
</table>

(operations and activities)

John C. Alonso
Operating Leader/
Senior Vice President

Franz Knecht
Managing Partner