



# ANNUAL SUSTAINABILITY REPORT

TECNOGLASS



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# Letter from **our CEO**

Since our inception, more than 30 years ago, we have been supporting the respect for human rights, the compliance with labor standards, caring for and protecting the environment and promoting the fight against corruption. We have joined the Global Compact initiative because we share the conviction that from the private sector, strategies must be aligned with the 10 principles universally accepted, as well as the achievement of sustainable development goals, contributing to a more inclusive sustainable society over time.

Year after year we evaluate our progress, proposing new goals taking into account the economic, social and environmental aspects and identify new projects and initiatives that generate value for our stakeholders. We proudly present our first Annual Sustainability Report that reveals our strategy, pillars, performance and some of our achievements during 2017.

Evaluating our results inspires us to continue creating and executing new projects that aim towards greater profitability, growth potential, consolidation and diversification of markets, through generation of value and transparent and efficient government, which reflects our commitment to sustainability.

**José Manuel Daes**  
CEO

# Company Profile

With more than 30 years in the market, Tecnoglass Inc (the “Company” or “Tecnoglass”) groups several companies that allow us to be distinguished as leaders in the transformation of glass, extrusion of aluminum, manufacturing of architectural glass, windows, doors and facades made to measure, associated with the global commercial and residential construction industry.



Glass products

**ESWINDOWS**

Import and distribution of products manufactured by the group

**ENERGIA SOLAR  
ESWINDOWS**

Windows and facades with high specificity

**gmp**

Design and installation of enclosure systems, engineering, consulting and installation services

GMP CONSULTING & GLAZING CONTRACTORS INC.



Finished aluminum products



**COMPONENTI**  
ARCHITECTURAL SPECIALTIES

Tecnoglass Inc. offers solutions, products and services for the construction industry, including, but not limited to:


- Transformation of raw glass (raw material purchased from a third party) into glass with added value.
- Tecnoglass offers tempered, laminated, insulated glass (with thermo-acoustic properties), insulated-laminated, curved, with silkscreen and, with low emissivity properties.
- Design, assembly and installation of architectural systems such as windows, floating facades, floor-ceiling facades, doors, railings, among others, from the combination of glass with added value and aluminum products.
- Design, marketing, import, distribution, installation and structural engineering services tailored to the client's and project's specifications.

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The Company operates through its headquarters in Barranquilla (Colombia), from an industrial complex vertically integrated, state-of-the-art technology, with approximately 260 thousand square meters. This strategic location provides easy access to the Americas, the Caribbean and the Pacific. Tecnoglass Inc. provides to more than 900 clients in North, Central and South America, where for 2017 the United States represented 76% of total sales, followed by Colombia with 20% and the remaining 4% distributed among several countries of Central America and the Caribbean. The Company also has offices and commercial operations in Miami (United States), La Paz (Bolivia) and Pordenone (Italy).

The vertical integration of the Company's production process allows to manufacture products and provide services with the power of quality. Through the implementation of strict control processes on production, competitive costs and exceptional lead times, the Company is consolidated as a leader in its market.

Due to its extensive experience in the US market and in Latin American, **the Company has reached levels of growth superior to those of the industry, consolidating as:**

 **1** In the transformation of architectural glass and window systems in Colombia and Latin America: In Colombia, the glass and aluminum industry for the construction sector is composed mainly by glass and aluminum manufacturers, manufacturers and window designers, distributors and installers of windows and doors. In this way, Tecnoglass Inc. captures approximately 51% of this market.

**#2** In the manufacture and transformation of glass for the US: The US market is composed mainly of manufacturers, distributors and installers of structural facades, windows and doors for commercial and residential buildings. It is estimated that Tecnoglass Inc. captures less than 1% of the consolidated US market (manufacture and services), representing an attractive opportunity for greater penetration in the near future.

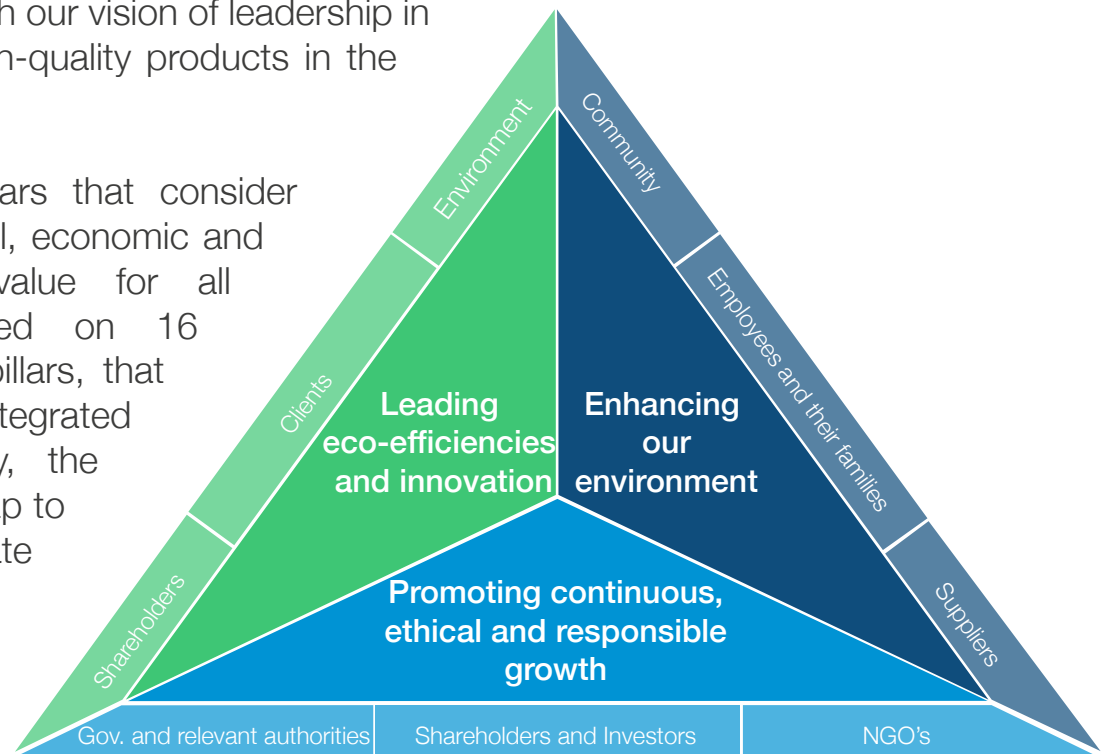
As of December 31st, 2017, Tecnoglass Inc. has the majority of shares in C.I. Energia Solar S.A.S (100%), Tecnoglass S.A.S (100%), ES Windows LLC. (100%), GM&P Inc. (100%) and Componenti USA LLC (60%). Tecnoglass Inc. is listed on Nasdaq, the second largest US stock exchange (NASDAQ: TGLS) being Energy Holding Corporation the majority shareholder with a participation of 65.2%



# Our Sustainability Strategy

Our sustainability strategy is aligned with our vision of leadership in the manufacture of innovative and high-quality products in the construction industry.

The strategy is based on three pillars that consider variables such as social, environmental, economic and governance in the creation of value for all stakeholders. The model is based on 16 commitments, grouped in the three pillars, that seek to ensure that sustainability is integrated throughout our business. This way, the sustainability strategy is a clear roadmap to address our main impacts, consolidate new standards and achieve our goals.



*Tecnoglass Inc. Sustainability Strategy*

In the following sections we present each pillar of the Sustainability Strategy with its corresponding commitments.

# 1. Promoting **continuous, ethical and responsible growth**

Our values of integrity and responsibility are the basis of everything we do and the permanent search of value creation for all our stakeholders. This is why through this pillar we focus on offering our customers efficient products, according to their needs and activities, consolidating our activity and brand. Likewise, we seek to adopt leading corporate governance practices and integral management to provide clarity on how we meet our goals and commitments, allowing us to grow as a company and provide better performance to our shareholders.





# 1.1 Highlight initiatives

## **Ethics and Compliance** Program

Since 2012, driven by the process of having our shares listed in the stock exchange, Tecnoglass concentrated its efforts in structuring an ethics and compliance program that would allow us to consolidate with all our stakeholders, solid business relationships where transparency, integrity and responsibility prevail, thus consolidating our offer towards them. Today, this initiative works under the Compliance Area and is led by the Compliance Officer.

The implementation of the ethics and compliance program is based on the preparation of a risk matrix related to corruption (including bribery and fraud), money laundering and financing of terrorism, and it is accompanied by a series of internal procedures that identify, analyze and evaluate these risk areas, implementing controls for their mitigation and always ensuring compliance and constant follow-up by the area supervisors or determined leaders. This matrix is based considers all domestic and international regulations. Additionally, we have a compliance management system which is constantly updated and subject to periodic internal and external audits.

The program is also complemented with internal guidelines established in the Code of Conduct, Compliance Manual, Internal Labor Regulations and other corporate policies and with the implementation of the Confidential Reporting Line. Our Confidential Reporting Line can be accessed by phone or through the website, is operated by a third party to guarantee the objectivity, confidentiality and anonymity of the people who report and under the premise of no retaliation.

# 1.1 Highlight initiatives

Through these channels our stakeholders carry out consultations, dilemmas and complaints about possible situations that may be constitute an unacceptable behavior, or that may put at risk company's compliance. The intention is to permeate our stakeholders and create a culture based on transparency and reporting. In the future we expect all the calls and emails we receive through our Confidential Reporting Line to be for inquiries only and not claims.

One of our focal points of our ethics and compliance program is communication. We constantly carry out training and outreach campaigns with our employees, in order to promote ethical behavior and through the leaders of each area we review their compliance. These leaders are duly trained by the Compliance Officer to resolve any concerns in relation with compliance issues and early detection of adverse situations. Additionally, we do massive dissemination campaigns with other stakeholders, such as clients and suppliers, in order to extend our corporate guidelines.

The other relevant topic we must highlight from this initiative is that it provides a better monitoring of the different areas that are part of the Company. The functions and activities of the strategy are not concentrated in only one person, but through the leaders of each area, the channels and other tools which in turn develop into a system that generates participation of more actors, greater control and impact.

# 1.1 Highlight initiatives

## Process to become an **Authorized Economic Operator (AEO)**

Between 2014 and 2015, a series of additional efforts and changes in procedures strengthened the Company in the context of obtaining the authorization of some of its subsidiaries as an Authorized Economic Operator (AEO) before the National Taxes and Customs Authority (DIAN), The National Police Narcotics Division, The Colombian National Food and Drug Surveillance Institute (INVIMA) and the Colombian Agricultural Institute (ICA). The implementation of these changes allows that currently Tecnoglass S.A.S. and CI Energía Solar S.A.S. ESWINDOWS, are authorized as an Authorized Economic Operator, as exporters by virtue Resolution 8966 from 2016 and Resolution 000148 from 2017, respectively.

The certification process was an initiative with participation of the whole company and involved several stages. The initial phase mainly included the identification and timely management of Security Risks in the International Supply Chain, on which we have been working since 2006 in our US subsidiaries, under the modality of C-TPAT, quality given by U.S. Customs and BorderProtection (CBP). Later, it was required the development of wide level security procedures, focused on protecting the international supply chain and formulate focused training programs to make staff aware of safety provisions and train the managers in charge of the execution of the controls. Finally, they were designed and implemented continuous monitoring on the execution of controls that minimize the materialization of risks. The activities of the stages are still being applied today, in order to preserve the quality and benefits granted.

# 1.1 Highlight initiatives

The certification of Authorized Economic Operator gives us a recognition as a secure and reliable operator within the supply chain before the Colombian customs control authorities. This means, that Tecnoglass S.A.S. and CI Energía Solar S.A.S. ESWINDOWS will be submitted to less physical and documentary inspections for export and import operations and are authorized to use special channels and mechanisms to carry out foreign commerce operations that are processed before the control authorities. Furthermore, it offers tax benefits, consolidation of payment of custom taxes and no constitution of guarantees to support compliance with customs obligations.

Actually, the Authorized Economic Operator Program<sup>1</sup> has two categories in the country: Security and Facilitation, and Health Security and Facilitation. As of February of 2018, there are 40 authorized companies, from which 34 are authorized as exporters, 4 authorized as importers, and only 1 authorized as exporter and importer. Tecnoglass S.A.S and CI Energía Solar S.A.S ESWINDOWS are authorized as an AEO exporter in the category of Security and Facilitation and they are in the process of implementing standards for AEO importer.

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<sup>1</sup> The Authorized Economic Operator Program in Colombia was implemented by virtue of Decree 3568 of 2011, in compliance of the SAFE Framework Project, which is a project of the Worldwide Customs Organization that seeks to address the need to harmonize a more secure commercial regime, facilitate world commerce and provide a new focus to work in the Customs-Companies, Customs-Customs and Customs-Other Public Institutions relationships. Furthermore, the AEO is trying to establish Mutual Recognition Agreements in order to facilitate and ensure Colombia's international commerce with other countries and the granting of mutual benefits for the authorized companies.

## 1.2 Certificates and Recognitions

Tecnoglass Inc., through its subsidiaries has received the following certificates and recognitions framed within the pillar of **“Promoting a continuous, ethical and responsible growth”**:



In 2017, the Quality Management System was updated based on NTC ISO 9001 version 2015.



Tecnoglass S.A.S and CI Energía Solar S.A.S ESWINDOWS are Authorized Economic Operators as exporters in the category of Security and Facilitation.



In 2018, Tecnoglass Inc. received the international award from World Finance 2018 for its corporate governance. In total, 31 global companies were recognized by this publication, of which only 4 are in Latin America.



ESWINDOWS LLC has the certificate CT-PAT Tier-3 (Customs Trade Partnership Against Terrorism) as importer granted by the Government of the United States that recognizes the highest level of security in the international supply chain.



Tecnoglass has been SOX compliant since 2017. SOX, the acronym for Sarbanes-Oxley Act, is the Sarbanes-Oxley Law that seeks to protect shareholders and the general public against fraudulent accounting and practices of the Companies to improve the accuracy of corporate disclosures.



In March of 2018 “Semana” magazine included the Tecnoglass Group companies in the list of the 25 companies that make the greatest contribution to Colombia. Besides the financial results, this distinction highlights the efforts to improve the quality of life of its employees, help the environment, promote sustainable management and be morally responsible in its relationship with the State and the Law.

# 1.3 Achievement and initiatives related to **Global Compact**

The Companies must work against all forms of corruption, including extortion and bribery.



**Conduct our business with integrity, ethics and transparency**



**Adopt best corporate governance practices that facilitate the decision-making and accountability**

## 2017 Achievements

- Thanks to the ethics and compliance program, we have experienced a decrease in complaints with regards to the previous year, but with a high index of queries.
- Identified the more sensitive areas with regards to illicit acts, fraud and corruption.
- Disseminated our precise guidelines about the receipt and delivery of gifts and attentions.
- Prepared a guideline addressing the engagement with government officials.
- During the campaigns to disseminate our new Code of Conduct, we trained more than 3,700 employees of different areas, located in different cities, together with top managers.
- Prepared a guideline of warning signs for fraud, corruption, asset laundering and financing of terrorism, which establishes how to identify risks and scenarios not accepted by the Company and additionally this guideline establishes preventive measures for each area.
- Were able to train a leader per area in ethical and compliance topics.

## 2017 Achievements

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- ❑ Socialized the ethical and compliance program to all new personnel of the Company, generating an instance to present questions and solve doubts.
- ❑ Consolidated the decision-making and accountability processes, including delegation of authority to provide transparency in the relationships with our stakeholders.
- ❑ Received a recognition granted by World Finance 2018 in Corporate Governance, which highlights the companies that work for efficient management, driving positive changes, transparency, sustainability and inclusion.

## Initiatives to develop

In the **next 2 years** we will strive to:

- ❑ Have a cyclic and repeatable training process, which will allow us to cover all our clients and suppliers.
- ❑ Accomplish that all the calls received involve queries and not claims.
- ❑ Design monitoring plans for the leaders of each area, in cooperation with internal audit.
- ❑ Implement monitoring plans that would help us to identify actions, situations and persons that do not comply with our internal policies to continue mitigating risks.

## 2. Leading eco-efficiency and innovation

The intensive use of energy and the generation of residues and emissions are the most important environmental impacts for our company; that is why we seek to manage them during the whole life cycle of our products and our value chain. We achieve this by promoting in our operations the use of world-class technology to offer our clients innovating products, of great quality, which also efficiently use energy and resources.

### Leading eco-efficiency and innovation

*Commitments associated to the pillar "Leading eco-efficiency and innovation"*



Encourage the energy efficiency of the operation and the products



Prevent, mitigate and compensate environmental impacts of the business



Promote the efficient use of materials and technologies, respectful with the environment



Responsibly manage the value chain and the product cycle



Position an innovation and quality approach within all of the Company's processes



## 2.1 Highlight initiatives

### Photovoltaic **Energy**

Innovation has always been a characteristic of the Company's management and a defining factor for Tecnoglass competitive capacity. For this reason, we have improved our facilities and processes through the implementation of innovating and state-of-the-art projects in order to become more efficient in production, more environmentally friendly and achieve an effective cost control.

One of our most important projects is associated to the generation of energy, which increasingly represents a great weight in the Company's production costs. This project seeks to generate energy by implementing an On Grid photovoltaic system.<sup>2</sup> The project initiated on March 2017 and was executed in two phases: installation of an aluminum structure to support the panels and installation of photovoltaic panels, electric connection and inverters, which are the ones that convert the DC energy into AC and are synchronized with the network.

#### Photovoltaic Energy **in figures**

Installed capacity:	4,844 MWp
Number of photovoltaic solar panels:	15,237
MWh generated:	77.06MWh generated the first year. 172.246MWh generated in 25 years.
Carbon footprint:	We have projected to decrease: 1.533 tons of CO2 during the first year. 34.277 tons of CO2 in 25 years

## 2.1 Highlight initiatives

This project has allowed us to establish long term parameters that contribute to mitigate the impact of the volatility of prices of energy in the Colombian market, optimizing energy resources and continuing with the compliance of our quality standards.

On the other hand, it is important to highlight that this project was framed within Law 1715 of 2014 wherein we obtained all the certificates from the Mining-Energy Planning Unit – UPME (for its Spanish acronym) and the National Authority for Environmental Licenses – ANLA, for the feasibility of both phases. This law allows us to obtain exemption of VAT and custom duties in the importation of materials and equipment and also the deduction of 50% of the income of the investment carried out.

Likewise, the photovoltaic system allows us to generate benefits for the environment with the reduction of CO<sub>2</sub>. Both phases have forecasted the decrease of 1,533 Tons of CO<sub>2</sub> during the first year and 34,277 Tons of CO<sub>2</sub> in 25 years.

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2

In an On Grid photovoltaic system the energy generated by the panels is injected for its consumption, producing important savings that are reflected in the monthly electricity bill. It does not use battery banks, therefore the system costs less.

## 2.1 Highlight initiatives

### **Low emissivity** glass

The initiative of producing low emissivity glass (low-e) was structured as a business opportunity considering the demands of the construction market for glass facades with new materials that would allow compliance of governmental regulations and energy efficiency standards, while at the same time being architecturally attractive. The glass with low emissivity coating has the properties of being transparent under visible light but highly reflective for ultraviolet light and infrared rays, which leaves the heat of the sun outside of the buildings in the summer and conserves the heat in the winter, reducing energy requirements for lighting and for controlling the environmental temperature.

The market for glass with low-e (low-emissivity) coating is growing. At present these products are of mandatory use in some countries and are present in the market since the oil crisis of the 70s. The Latin American countries are aligning with these new technologies and developments, which would allow them to be more sustainable nations to meet global goals.

Colombia, specifically, as signor of the Paris Agreement has achieved several legislative advances in this topic. The Law 697 of 2001 was issued and declares that the “rational and efficient use of the energy is more a matter of social and public interest and of national convenience in order to guarantee the supply of energy in a full and timely manner, competitiveness in the national economy, protection of the consumer and promotion of non-conventional sources of energy”; Decree 1077 of 2015 “Sole Regulatory Decree for the Housing, City and Territory Decree” with regards to the guidelines for the sustainable construction for buildings; the “Guide for sustainable construction for saving water and energy in new buildings” through Resolution No. 549 of 2015, making it mandatory to install solar control systems in Colombia for new constructions as of 2017.

## 2.1 Highlight initiatives

Considering this context, in September of 2015, the Company started up the first production plant for glass with low-e (low emissivity) coating in Colombia called Solartec, with an installed capacity of more than two million square meters per year and with an investment of 45 million dollars. In 2017, the volume of sales of low-e coated glasses amounted to more than 79 thousand millions pesos.

This plant is also the first plant that uses the “Magnetron Sputter Vacuum Deposition” technology to deposit layers of nanometric thickness in the glass (technology used for manufacturing microchips, hard disks and solar panels), positioning Tecnoglass as a pioneer in the new industrial-technological developments of the country and in Latin America in general.

Today the glasses with low emissivity coatings manufactured at this plant help to reduce the dependence of Colombia on imports of these materials and directly contribute to the national purpose of more energetically efficient constructions. On the other hand, the Solartec products are exported to the United States, Panamá, Costa Rica, Chile and other Countries of the Region.

## 2.2 Certificates and Recognitions

Tecnoglass Inc., through its subsidiaries has the following certificates, memberships and awards framed within the pillar *Leading eco-efficiency and innovation*:



In 2017 we updated our certificate of the Environmental Management System based on NTC ISO 14001 with version 2015. Thus, we are the second company in the city of Barranquilla certified under this new version, which is also integrated with our Quality System (based on NTC ISO 9001-2015).



The Aqueduct, Sewage and Sanitation Company of Barranquilla – Triple A, in 2016 and 2017 granted a recognition to C.I. Energía Solar S.A.S., ESWindows due to its good practices in the management of hazardous residue. In December 2016 we obtained the Triple A Award in the category of large generators.



Since 2010 Tecnoglass is member of the Colombian Sustainable Construction Council. This is the organization in charge of leading the sustainable development of the construction industry in Colombia.



We obtained recognition in 2017 and 2018 for the participation in the HP Planet Partners program, which consists in the return and recycling of HP toners to support the Omacha Foundation.

## 2.3 Achievement and initiatives related to **Global Compact**

Area: **Environment**

Principle

**7**

The Companies must support a prudent approach with respect to environmental challenges.



**Prevent, mitigate and compensate environmental impacts of the business**

### 2017 achievements

- Generated awareness among our employees regarding the water management practices, by training them in the administration of PVC pipes and accessories, inverse osmosis and deionization, which allowed greater efficiency in the execution of their duties.
- Implementation of the preventive maintenance schedule for hydraulic and sanitary facilities to prevent possible leaks and/or damages.
- Measurement and monitoring of water consumption (27,527m<sup>3</sup> of water consumed in 2017).



**Responsible management of the value chain and the product cycle**

- In alliance with Inpsicon and through the program “Citizen of Honor”, we carried out an activity focused in responsible consumption and citizen’s culture based on the 4Rs model (Reduce, Recycle, Reuse and Responsibility).
- We have an alliance with Triple A to generate awareness regarding the efficient use of water, savings and conservation of these resources through the campaign “Water is my pal” (El agua es mi llave).
- Designed a campaign around the world water day, which is focused in generating a culture of awareness regarding the care of this resource.

In 2018 we will continue implementing campaigns and controls to decrease water consumption and achieve the goal of 0.9m<sup>3</sup> per person. ■

Campaigns with clients on how to wash glass with optimum use of resources (e.g. water). ■

# Initiatives

to Develop

## 2.3 Achievement and initiatives related to **Global Compact**

Area: **Environment**

Principle

**8**

The companies must encourage initiatives that promote greater environmental responsibility.



**Encourage the energy efficiency of the operation and the products**

### 2017 achievements

- Concluded the installation of 15.237 solar panels with a capacity of 4,844 kwp of photovoltaic energy.
- Generated approximately 304.955 Kwh of renewable energy during the last three months of the year, decreasing CO2 emissions.
- We reused 100% of residual waters from the demineralization of inverse osmosis equipment, which represents 30% of the inlet water that we receive from supplier.

## Initiatives to Develop

- To generate approximately 598.405 Kwh of renewable energy each month.
- In the future expect to decrease:  
1.533 Tons of CO2 in the first year,  
and 34.277 Tons of CO2 in 25 years.

## 2.3 Achievement and initiatives related to **Global Compact**

Companies must favor the development and dissemination of technologies that are friendly with the environment.



**Promote the efficient use of materials and technologies respectful with the environment.**

### 2017 achievements

- Achieved an alliance with Triple A and Tecniamsa to receive training and consultancy, which has allowed us to maintain good practices in the management of residues and obtain their recognition during 2016 and 2017.
- Resused ~66.000 pipes and 660 yellow pine wood mats for the manufacturing of boxes to pack finished products.
- Decreased the consumption of goods such as wyfall by ~40% with regards to 2016.
- We delivered to a third party ~262 tons of dangerous residues to dispose in safety cells, incineration, recovery and post consumption, ~563 tons of recyclable residues for recycling and ~629 tons of non-recoverable residues for disposal at landfill.
- We delivered to specialized organizations the following resources for recycling: 67.5 tons of plastic, 123,8 tons of scrap, 18,13 tons of paper, 49,26 tons of cardboard, 128,3 tons of PVB and Sentry.
- We trained all the general services personnel of all the plants and socialized our color codes to achieve greater efficiency in the classification of residues at the source.



## 2017 achievements

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- We saved 4,93 tons of oil that are discarded from energy generators.
- We reused 100% of used glass (14.499 recycled tons).
- We were able to recycle 720,8 kilos of electric and electronic residues.
- We allocated 297 kilos of batteries to Mac Johnson® post-consumption programs.

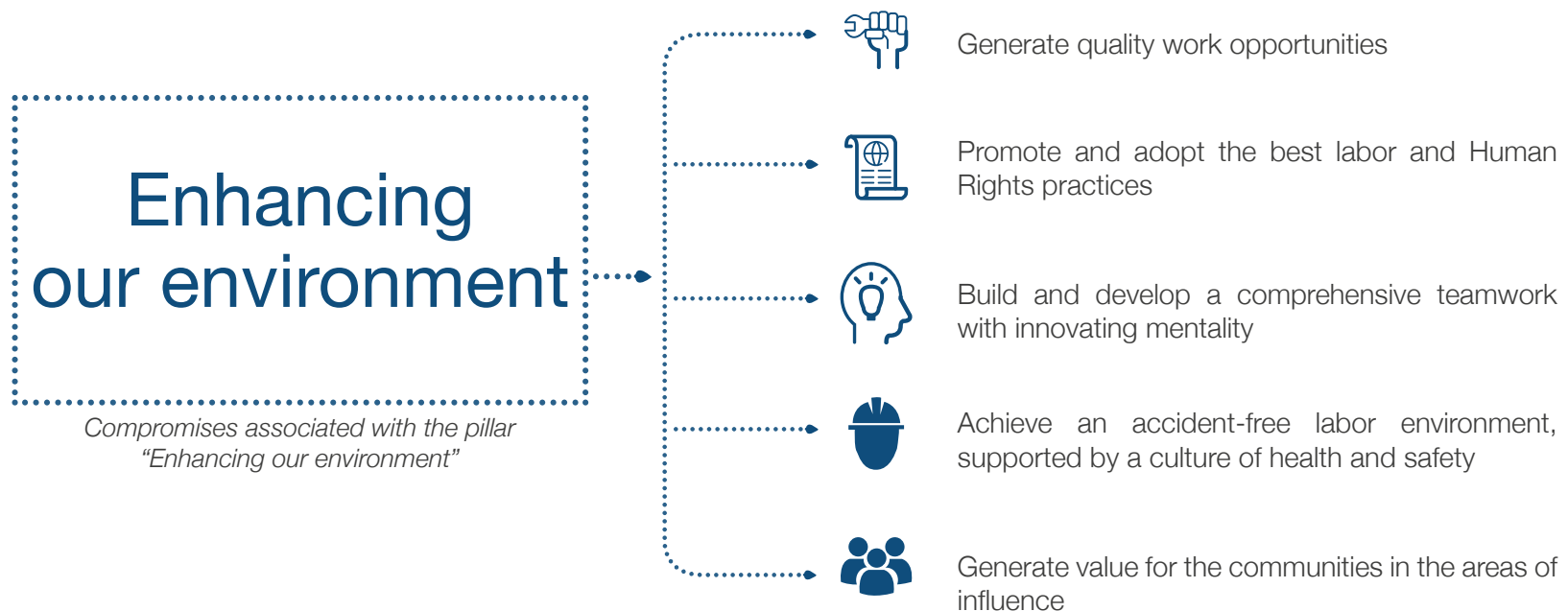
# Initiatives

to Develop

- Evaluate alternatives of post-consumption returns.
- Formulate training programs to efficiently strengthen the recycling programs.
- Disseminate periodic campaigns throughout the Company for creating awareness regarding recycling.
- Maintain the approach of utilization, separation and classification of residues at the sources, to decrease the volume of residues generated (goals residues per unit produced: 0.8 kg RESPEL, 1.5 kg recoverable and 1.9 kg non-recoverable).

# 3. Enhancing our environment

Our goal with this pillar is to improve the conditions of our employees, contractors, third parties and communities. Within Tecnoglass, in first place we look forward having accident-free spaces, promoting health, safety, best labor practices and human rights at all the levels and throughout our whole organization. In second place, to foster personal leadership, professional development and training of workers. We strive to generate instances and conditions to acquire, implement and share knowledge and experience. Outside of Tecnoglass, through the Company and the Tecnoglass ESWindows Foundation we carried out different activities with the surrounding communities, generating a positive impact beyond our operations.



## 3.1 Highlight initiatives

The Tecnoglass ESWindows Foundation was born in 2005 from the Company's interest to contribute to the improvement in the quality of the employees livelihood, their families and of the most vulnerable population in the Company's area of influence. The Foundation works in alliance with other public and private institutions in order to develop projects that generate greater impact, combining economic efforts, task forces and experience.

The Foundation has carried out projects mainly in the city of Barranquilla, but it also generates impact in other regions of the country, through its four strategic pillars:

- Education for Progress
- Hand-in Hand with the Communities
- Comprehensive Social Intervention
- Promoting Culture and Sports

Within each of these pillars, we highlight the following programs and results achieved during 2017:

## 3.1 Highlight initiatives

### **Education** for progress

With the **Scholarship Program** we seek to offer Tecnoglass' employees and their children, opportunities for personal and professional development. In 2017 we sponsored 158 low-income students with high academic performance, through scholarships for undergraduate and graduate studies in different universities and technical and technological institutions in Barranquilla.

### Hand-in-Hand with the **Communities**

Striving to contribute to the progress of the communities within our area of influence and promoting education in general terms, since 2007 the Foundation supports **San Pablo School**, located in La Paz neighborhood in the southwestern part of the city of Barranquilla. In 2017 the school expanded, by building a third floor of 418m<sup>2</sup>. This included building 5 classrooms and two bathrooms for over 1,100 children that study in the institution. It is expected that in the future with our contribution in infrastructure, the school can enroll more children.

### Promoting **Culture and Sports**

Considering that the Foundation is located in a city that is recognized for its cultural and sport activities, we contribute to the development of these. We are convinced that these instances promote the creation of identity, social inclusion and development of talents. Many of these instances revolve around sports, promoting physical activity and healthy habits; other activities revolve around the recognition of the cultural heritage of the Caribbean region. Likewise, year after year we support the **Carnival of Barranquilla** and its main characters, which promote the conservation of culture through this fantastic festivity.

## 3.1 Highlight initiatives

### **Comprehensive Social** Intervention

Through the cooperation agreement with the **Colombia Somos Todos Foundation**, founded by the Football player James Rodríguez, our Foundation seeks to build social fabric and foster transformation scenarios for future generations. Under this alliance we develop the project “**Colombia a Field to Dream and Grow**”, focused in empowering the development of the physical, cognitive and emotional abilities of children and teenagers through football. Using sports as a vehicle it is possible to strengthen citizens and coexistence values, socialize areas of conflict, promote healthy activities and prevent the association of children, teenagers and youngsters in damaging, violent and criminal dynamics.

In 2017 the project covered 100 children in Barranquilla and 200 at Ibagué. On the medium and long term this project will achieve the formation of upstanding human beings, who will benefit their societies and will lead the change in their communities. The project operates in Barranquilla in the Monsignor Victor Tamayo Boarding School.

In 2018 we initiated a new alliance with **Vive Bailando Foundation**, which is going to give us the opportunity to work with 150 youngsters of Las Flores neighborhood, one of the neighborhoods nearest to the Company and the Foundation. With this project we seek to positively impact the lives of the youngsters and their families, strengthen social inclusion, leadership, coexistence, communication and attitudes using dance, the body and movement as a pedagogic instrument.

## 3.2 Certificates and Recognitions

Tecnoglass Inc., through its subsidiaries has the following certificates and awards framed within the pillar *Enhancing our local environment*:



Since 2013 our subsidiaries are certified under OHSAS 18001, which ratifies our commitment with the best practices in Health and Safety Management.



Our brigades have been recognized in several instances:

- In the Brigades Meeting organized by Seguros Bolívar during 2017 we obtained 1st place.
- In the National Meeting of the Caribbean Region Emergency Brigades we were awarded with the 3rd place.



The Award to Safe Work granted by the ARL AXA Colpatria has the objective of recognizing the companies that show positive safety and health at work indexes. For 2015, Tecnoglass obtained the 3rd place in the Decrease of Accidents.

## 3.3 Achievements and initiatives associated with **Global Compact**

Area: **Human Rights**

Principle

**1**

The Companies must support and respect the protection of globally recognized human rights in their area of influence.

## Commitment to the Sustainability

model to which it is associated.



**Generate quality work opportunities**



**Promote and adopt the best labor and human rights practices**



**Achieve an accident-free labor environment, supported by a culture of health and safety**

- We maintain a salary scale above the one in the market (Tecnoglass' minimum wage is 9% above the legal salary).
- Our extra-legal benefits include aids for life insurance and medical insurance, support upon the death of family members, pediatrician's visits without cost, annual outings for employees and their families, and others.
- We facilitate technical studies or certification of competences, without any cost to our employees.
- We make contributions in sports, for internal and external championships.
- We have granted 819 direct loans to Tecnoglass Inc.'s employees at 0% interest rate.
- We have performed family dynamic workshops and prevention of domestic violence.
- We designed training programs for the orientation, creation of awareness and accompaniment of direct Tecnoglass and Alutions employees and contractors.

# 2017 achievements

- We generated the Safety Model "Vision Zero" together with ARL Sura to intervene critical risks that cause accidents, under which we trained 122 safety leaders.
- We created the program "Let's us take care of everyone" which seeks to awaken the culture of safety, based on a risk perception survey, psychological visits and care workshops.

## In safety and health – Tecnoglass Plant

- We reduced to 49 cases the number of accidents versus 2016 (when we experienced 124).
- We closed with an accident rate of 4,08% (significantly lower than that of the manufacturing sector, which Fasecolda calculated in 15,5%).

## In safety and health – Alutions Plants

- We were able to decrease to 15 the accidents versus 2016 (when we experienced 100).
- We decreased accident rate of 8,00% during 2016 to 7,2%.
- We decreased 70% the severity index, which allows us to have more healthy personnel and more man-hours available.



# Initiatives

## to Develop

- We will strive to work on behavioral safety, in order to reduce 85% of the accidents that presently occur due to unsafe behaviors. The efforts will center in 3 pillars: 1) Training, mentoring and guiding safety leaders; 2) Important learning methods with neurolinguistic programming “Risk Schools”; and 3) Marketing safety campaigns.
- We will design an induction and re-induction methodology focused in working with the emotional brain to demonstrate unsafe conditions and will work in the cognitive part through risk labs.
- We will implement strategies to create a safe mobility culture inside the plants.
- We will apply for OHSAS 18001 certificate for the Alutions Plant.
- We will acquire software for administration of chemical substances.
- We will increase the number of personnel and training for the Company’s emergency brigade.
- We will continue improving the plant through the application of Hygiene Study Procedures.
- We have been working in a human rights policy, which contemplates our commitment to support and respect the protection of universally recognized human rights within our area of influence and expect that it will be approved during 2018.

## 3.3 Achievements and initiatives associated with **Global Compact**

Companies must ensure that they do not act as accomplices to human right violations



**Promote and adopt best labor and human rights practices**

### 2017 achievements

- During 2017 there were no situations of labor harassment or conflict recorded with the Dignified Work Committee, whose objective is to establish preventive and corrective actions for labor harassment.

## Initiatives to Develop

- Implement campaigns that promote pacific coexistence, the respect for human rights and duties.
- Raise the awareness of our employees so that they will report any situation that infringes human rights.
- We have been working in a human rights policy, which contemplates our commitment of not acting as accomplices of infringements of Human Rights, which we hope our Board of Directors will approve in 2018.

## 3.3 Achievements and initiatives associated with **Global Compact**

Companies must respect freedom of association and the effective recognition of the right to collective negotiation.



**Generate quality work opportunities**



**Promote and adopt best labor and human rights practices**

### 2017 achievements

- We created the Dignified Work Committee to evaluate employee's needs with regards to: facilities, transportation routes, social and personal relationships. Up to date this has helped us to improve efficiency and productivity standards.
- The levels of work satisfaction of our employees and the existing communication channels allow us to have zero unionized personnel.

## Initiatives to Develop

- We will implement a coordinated improvement plan considering the situations and amongst the parties, to build, renew and promote a better labor environment, always guaranteeing the principle of confidentiality.
- We have been working in a human rights policy that contemplates our commitment to respect freedom of association and the effective recognition of the right to collective negotiation. We expect that our Board of Directors will approve it during 2018.

## 3.3 Achievements and initiatives associated with **Global Compact**

Companies must support the elimination of any form of forced or coerced labor



**Generate quality work opportunities**



**Promote and adopt the best labor Human Right practices.**

### 2017 achievements

- As of the closure of 2017 we did not have a policy that explicitly explained our commitment with this principle. However, historically we have guaranteed that our employees can freely choose their work.

## Initiatives to Develop

- Disseminate and consolidate the Human Rights policy that establishes our commitment to avoid any form of forced or coerced work, which we hope our Board of Directors will approve in 2018.

## 3.3 Achievements and initiatives associated with **Global Compact**

Area: **Labor**Principle  
**5**

Companies must support the effective abolishment of child labor.



**Promote and adopt the best labor and human rights practices.**

### 2017 achievements

- Through the human resources recruitment processes we guarantee that our employees are all of legal age.

## Initiatives to Develop

- Divulge and consolidate a human rights policy, which establishes our commitment to eliminate all forms of forced or coerced labor, which we expect our Board of Directors will approve in 2018.

## 3.3 Achievements and initiatives associated with **Global Compact**

Area: **Labor**Principle  
**6**

Companies must support the abolishment of discrimination practices in respect to employment and occupation.



**Generate quality work opportunities**

### 2017 achievements

- Based on our corporate value of “Respect” we seek to guarantee the acceptance of all our employees, valuing the differences in talents, deficiencies, backgrounds and abilities and providing equality of opportunities and treatment.
- During 2017 we experienced zero incidents of discrimination.
- During the last few years we have contributed to the development of communities through the generation of quality employment to persons without labor experience, with disabilities or socially excluded. For instance, the recruitment of personnel from “Las Flores” neighborhood, a vulnerable area, adjacent to our operations.



**Promote and adopt best labor and human rights practices**

- We guarantee that the growth opportunities within the organization are structured under defined processes, based on the time of service and employees’ capabilities.

## Initiatives to Develop

- Divulge and consolidate a human rights policy that contemplates our commitment to eliminate all types of forced or coerced labor, which we expect our Board of Directors will approve in 2018.

**TECNOGLASS**



The Power of **Quality**