
2020 Sustainability Report



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Creating value for all our stakeholders

At the end of 2020 we acquired the onshore assets from Occidental Petroleum Corporation in Colombia. We initiated a process with the firm objective of maintaining a position of leadership in the Colombia's energy sector as well as in Latin America. Our strategy to create value includes dealing with social and governance issues, building constructive relations and operating under the highest environmental standards, including the reduction of Greenhouse Gas Emissions (GHG). We are also focused on observing the best industry practices to protect the health and safety of our workforce.



Our ESG focus

Health and safety

Protecting the health and safety of our workforce is our highest priority. It is a responsibility that involves the entire company and is closely linked to the environment, communities and everyone connected with our operations.

GHG emissions

At SierraCol Energy we recognise the importance of addressing climate change. We have a sustainable development programme in place to meet our stakeholder's expectations. Our aim is to reduce our carbon footprint by 50% by 2023 and be carbon neutral by 2030.

Community relations

Interaction with our stakeholders is based on an open and transparent dialogue, centred around trust and respect for human rights. We strive to create a positive impact on neighbouring communities. Our goals for sustainable development help to improve living standards in these areas.

Letter from the Executive Chairman

A firm commitment to Colombia

I am pleased to present SierraCol Energy's first Sustainability Report. SierraCol Energy is a company formed from the carve out of Occidental Petroleum Corporation's Colombian onshore oil and gas business. The transaction was signed in October 2020 and closed in December 2020. This first report documents the Environmental, Social and Governance performance at the time of the acquisition and lays out the strategic priorities in the area of ESG for the business as an independent stand-alone entity.

The SierraCol Energy portfolio comprises 14 production and exploration blocks located in the Eastern Llanos, Middle Magdalena and Putumayo basins of Colombia. Gross operated and jointly operated production of 90 kboepd make us Colombia's largest independent exploration and production company. Our assets include two of Colombia's most iconic fields: the Caño Limón field in the Northern Llanos and La Cira Infantas, Colombia's oldest oilfield in the Middle Magdalena basin.

Our assets have demonstrated a long track of stable production and cash generation which we expect to maintain by commercialising our material reserve and resource base and continuing to grow our reserve life. We will pursue a disciplined approach to growth, while maintaining healthy financial liquidity to comfortably service debt and pay a dividend that provides a return to our shareholders.

We intend to continue to grow our reserve base organically through focused exploration and appraisal, while preserving optionally to assess additional business opportunities as they arise.

Environmental, Social and Governance performance is a priority for our new company. We are committed to measure and report

our ESG performance in line with the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Through reporting in a consistent and transparent manner we can demonstrate how we generate value for all our stakeholders as we develop energy resources in a responsible way.

In our first year of operation as a standalone business we have set out an ESG Strategy focused in four key areas:

- Safe and reliable operations.
- Investing in and working to improve the lives of the communities around our operations.
- Carbon footprint of our business - we plan to reduce our Scope 1 and Scope 2 emissions by 50% by 2023 with an aspiration to be carbon neutral by 2030.
- An Environmental and Social Action Plan that will be completed during the course of 2021 and 2022, designed to bring all of our operations to global standards.

I invite you to read our first Sustainability Report, to learn more about our ESG Strategy and performance, and how we are addressing sustainability concerns to meet the expectation of all of our stakeholders.

Tony Hayward
Executive Chairman
SierraCol Energy

"I am excited to lead a company like SierraCol Energy, with such a promising future at every level, totally committed to the highest ESG standards"



Letter from the President and CEO

Exciting times for Colombia and SierraCol Energy

I take great pride in presenting this Sustainability Report. Since day one of SierraCol Energy, we've had the vision to become a leading company in the energy sector of Colombia and Latin America. A national and international benchmark for operational excellence, sustainable management, and respect for Human Rights.

We inherited a company with excellent operational performance, whose strong foundations will enable us to realise our goals. We are already on track to maintain and increase the economic and social capital of this legacy, ensuring that SierraCol Energy is a leader in the Colombian market.

We are a strong ally of the Government and all Colombians, committed to the economic and social development of the country. With the experience of our world class Colombian workforce and leadership, the support of our investors and shareholders, I am confident we will play a significant role in the economic development and growth of the industry in Colombia through strong social, environmental, industrial and safety practices.

We intend to be an agile and modern company, close to our stakeholders, true to our values, with a dynamic transparent approach to everything we engage in. This first Sustainability Report is a demonstration to our investors and stakeholders of our pledge to achieve these goals.

To inspire confidence in our investors there are two essential factors we draw special attention to:

Financial

- SierraCol Energy has a solid financial position which allows us to leverage new resources in the market, to meet capital requirements, while prudently manage operating and corporate costs.

Environment, Social & Corporate Governance (ESG)

- SierraCol Energy applies the highest environmental and social standards and best practices; we incorporate environmental, social and governance (ESG) into every aspect of our business.

Our Sustainability Report will cover the following topics in greater detail, but I would like to take this opportunity to underline our commitment in these areas:

Environment

Protecting the environment is a responsibility we embrace with seriousness and commitment and will always be one of the pillars, critical to our success. At SierraCol Energy we have initiated an aggressive program to reduce our greenhouse gas emissions by 50% by 2023. In addition, we are promoting the development of alternative sources of energy, contributing to the country's energy transition process and reducing our carbon footprint.

As part of our commitment to the planet, during 2021 a critical habitat screening will be conducted for our areas of activity. The biodiversity program will be revised in order to incorporate new measures in favour of the care of natural ecosystems in the areas where we operate.

Social

We pride ourselves on being an employer who respects people and attracts the best talent. We value our people as a core asset, offering them opportunities for training and professional development.

Protecting the health and safety of our workforce is a critical concern that involves all our management team to continually improve our performance in this area.

We work closely with our communities, fostering social dialogue and participation. We seek to establish respectful, transparent, and long-term relationships with the communities where we are present. I want to pay tribute to the invaluable partnership we have with Ecopetrol. We are committed to community investment programs, such as the El Alcaraván Foundation, dedicated to improving the lives of the people of Arauca.

At SierraCol Energy, nothing is taken for granted. We will continue promoting and implementing initiatives in favour of the communities in a consistent manner with the Sustainable Development Goals.

2020 was a challenging year due to the COVID-19 pandemic, especially for those whose lives we touch. This emergency deeply affected the community and presented us with new issues we needed to address. We developed a "Solidarity Plan" to help these communities, including our dear friends in Arauca, which through the crisis,

helped mitigate the health, social and economic consequences that the pandemic brought to our communities.

Governance

We have a committed Board of Directors engaged with sustainability initiatives to provide strategic guidance and resources. Our management system establishes policies, procedures, standards, and guidelines updated to include international standards and seeking further alignment with sustainable development goals.

A confident and caring future

Our first Sustainability Report is a testimony to our performance in 2020. It is the Company's interest to keep our investors and stakeholders informed, in an effective and transparent manner, about the goals we set for ourselves and our progress towards achieving business excellence and strong sustainability performance.

As a leading company in the energy industry, SierraCol Energy will help generate the economic development of the country and the sustainable development of its territories. We will continue to be an ally of the national and regional governments, working closely with the communities, acting with due diligence to manage the risks derived from our operations, respecting, and promoting human rights, caring for the environment, acting with transparency and in full compliance of the law.

We are confident that our leadership, operational excellence, and responsible management, will allow us to continue growing, generating value, and building long-term relationships for the benefit of all our stakeholders. We count on the guidance, commitment, and active involvement of our experienced Board of Directors, to guide us to achieve our aspirations, contributing to our business success, while fulfilling global expectations on sustainable development and the construction of a more equitable and resilient society.

Bernardo Ortiz
President and CEO
SierraCol Energy



About SierraCol Energy



We are an independent hydrocarbon exploration and production company established in December 2020, when our shareholder, the CIEP II Participations S.à .r.l., SICAR ("Carlyle") acquired the onshore assets of Occidental Petroleum Corporation in Colombia.

SierraCol Energy



Our transformation

We have embarked on a transition, building on policies and procedures aligned with international standards, with a new Corporate Governance, with the clear goal of being a leader in Colombia's energy sector as well as in Latin America.

Our operations

We are the largest independent oil producer in Colombia, with a gross production - operated and in partnership - of approximately 90 thousand gross barrels of oil equivalent per day (kboepd). This represents about 11% of the country's total oil production. We are among the top three independent operators measured by net production in the country. During 2020 average net production was 38 thousand barrels of oil equivalent per day (kboepd).

In 2020, our interests and operations were concentrated in 14 blocks located in the department of Arauca, the Middle Magdalena Valley basin (departments of Santander and Antioquia), and in the Putumayo basin, in the south of the country. Eight blocks are in the exploration stage and six in the oil production phase, in total 885,614 hectares (2,188,396 acres). Our assets include two of Colombia's most iconic, The Caño Limón in the Northern Llanos and La Cira Infantas, Colombia's oldest oilfield in the Middle Magdalena basin.

Our headquarters are located in Bogotá, Colombia.

Our workforce

At the end of 2020, SierraCol Energy's workforce totalled 508 direct employees.

The talent, professionalism and commitment of our workforce, and its accumulated experience in the management of ESG, will allow us to continue positioning ourselves as a leading Company that adds value for all its stakeholders.

Our mission statement is:

We create value for all our stakeholders by responsibly developing energy resources

Our vision:

To become one of the leading independent energy companies in Colombia and Latin America

90 thousand gross barrels of oil equivalent per day

11% of the country's total oil production

508 direct employees

14 blocks

885,614 hectares

SierraCol Energy's 2020 milestones



Acquisition of Occidental's onshore assets in Colombia

Average net production of 38 kboepd

2P reserves 116 mboe

3C resources¹ 364 mboe

Community investment of USD \$2.7 million²

Purchases from Colombian suppliers for USD \$174 million

Purchases from local (surrounding municipalities) suppliers for USD \$31.2 million

Royalties³ paid 1.8 million barrels

¹ 3C denotes contingent resources estimates.

² This figure corresponds to the gross community investment executed in Northern Llanos by the El Alcaraván Foundation during 2020.

³ Royalties are paid in kind. Valued at an average price of USD\$39.07, they equate to USD\$69.2 million.

Board of Directors

The Board of Directors is our highest governance body. It consists of six highly qualified members with extensive experience and professional recognition in the international energy sector.

Members of the Board of Directors

Tony Hayward
Executive Chairman,
SierraCol Energy

Marcel van Poecke
Managing Director and
Head at Carlyle

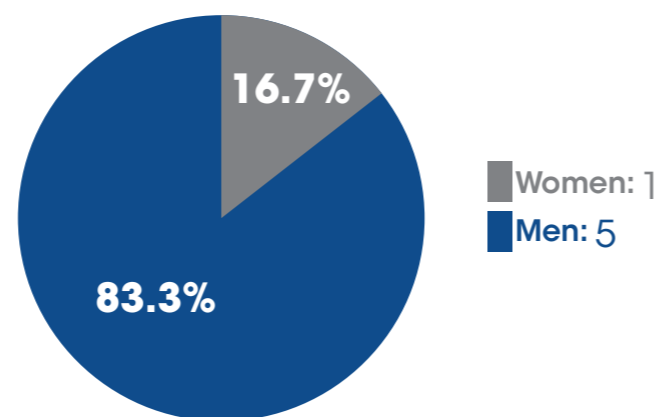
Bob Maguire
Managing Director at Carlyle

Heather Mitchell
Partner, Managing Director
and General Counsel for
Investments at Carlyle

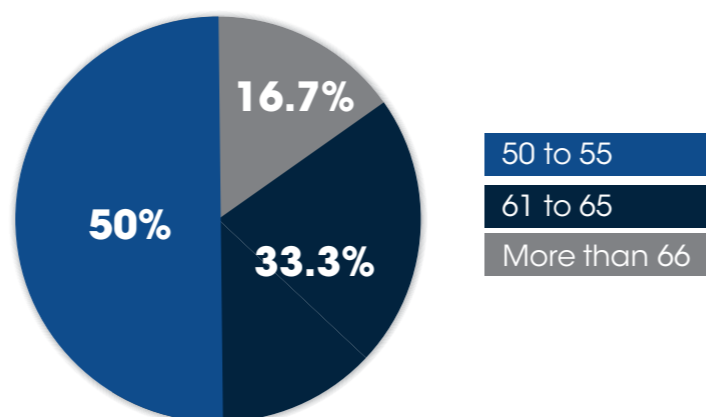
Eric Failenet
Director at Carlyle

Felipe Posada
Board Member of SierraCol
Energy

Composition by gender

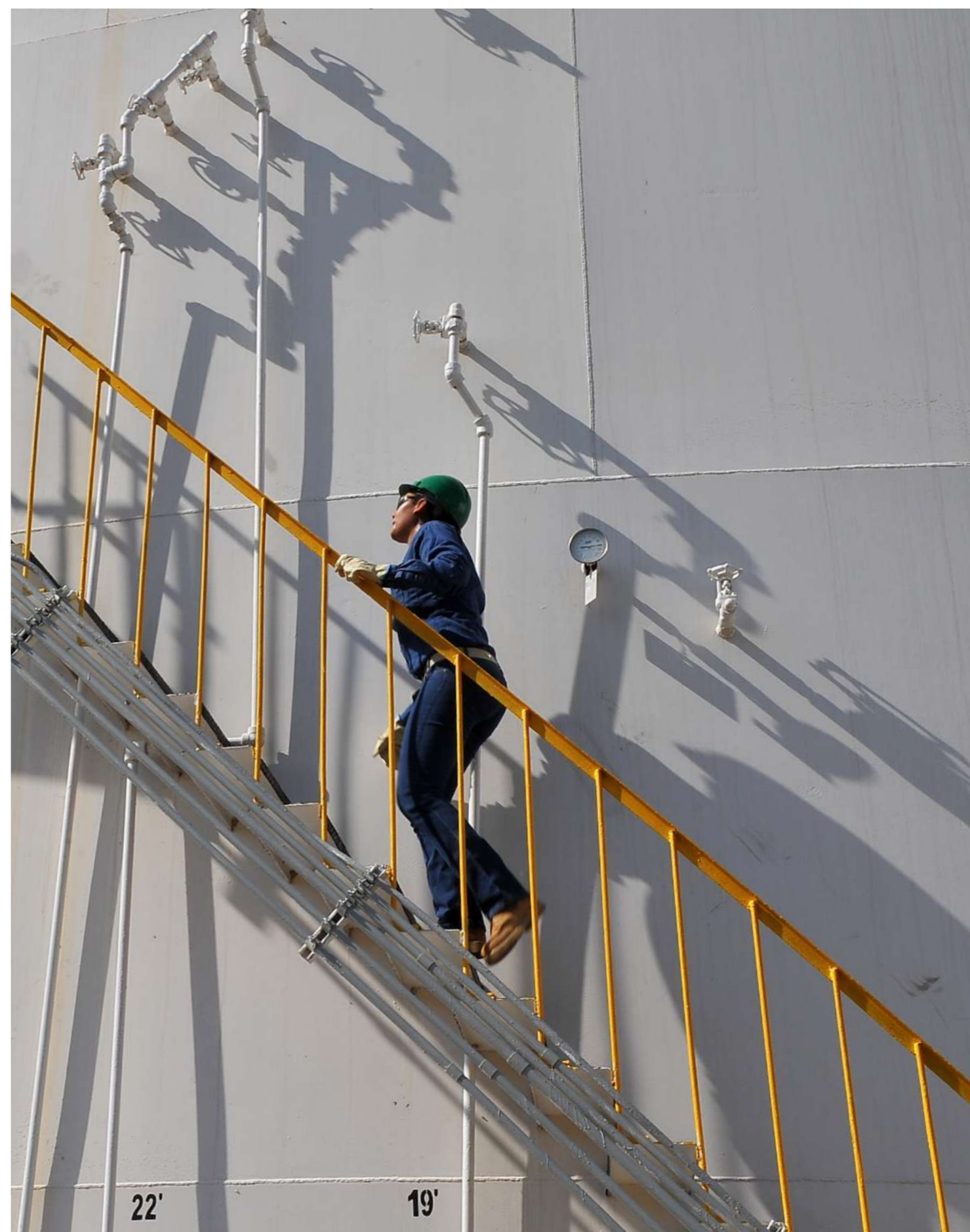


Composition by age



The Board of Directors is responsible for overseeing the development of the business and leading actions ensuring sustainable progress within the ESG framework. The Board delegates management authority to the President and CEO of SierraCol Energy to run company business in accordance with our vision, especially in connection with the Health, Environment and Safety (HES), Risk Management (RM) and Social Responsibility (SR) Policy.

In 2020, Bernardo Ortiz was appointed by the Board of Directors as President and CEO of SierraCol Energy. Mr. Ortiz has had an outstanding career in the hydrocarbons sector, holding leadership positions in Occidental Petroleum Corporation for more than 15 years, both in Colombia and internationally.



Our values



Integrity

We always do the right thing; we are transparent, honest and ethical.



Sustainability

We provide a safe and healthy workplace; we are committed to protecting the environment and promoting the well-being of our communities.



People

People are our most valuable asset; we value a diverse workforce; everyone has an equal opportunity to learn and succeed.



Results oriented

We seek excellence in achieving results; we strive to exceed expectations; we leverage our strong technical capabilities and apply new technologies.



Collaboration

We achieve more as a team than as individuals. Working together, we succeed; we support our colleagues and proactively communicate with them.



Simplicity

We work efficiently, focused on what is important; we rapidly adapt to change; we attempt to do things right the first time.

A business model to grow and create value



We are focused on an investment strategy that adapts rapidly to oil price dynamics. We focus on drilling options near existing infrastructure, that require limited incremental capital, while continuing to evaluate new commercial opportunities. This means that we can react quickly to the shifting global demand curve for oil.

We operate a significant and diversified portfolio made up of 94% light, high-quality crude oil, and we have low maintenance capital requirements and the ability to allocate capital efficiently to maintain a long-term production profile. Our objective is to continue to grow our reserve base organically by prioritising the development, evaluation and exploration of nearby and low-risk fields.

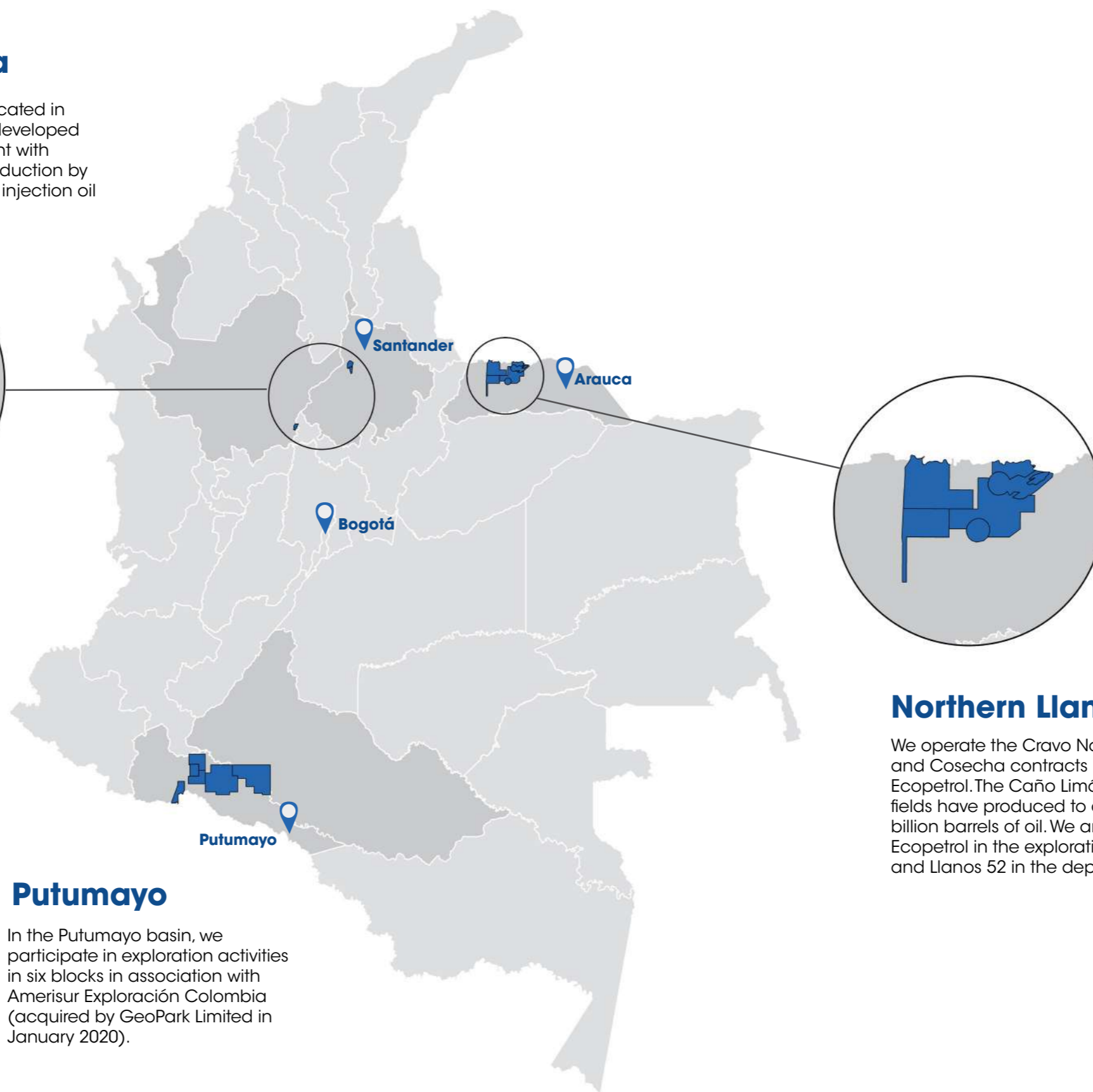
This vision, along with our ESG Strategy, will allow us to maintain our business leadership and contribute to a sustainable business environment in the regions where we operate. For more information about our business model visit:

<https://www.sierracolenergy.com/about-sierracol-energy/our-activities>.

Our assets

Middle Magdalena

In the Middle Magdalena basin, located in the department of Santander, we developed a business collaboration agreement with Ecopetrol to increase the field's production by implementing an enhanced water injection oil recovery project.



Three areas of operations in Colombia

In 2020, our assets were organised into three geographical groups: Middle Magdalena, Northern Llanos and Putumayo. Each of the geographies is characterised by low operating, discovery and development costs per barrel.

Northern Llanos

We operate the Cravo Norte, Rondón, Chipirón and Cosecha contracts in partnership with Ecopetrol. The Caño Limón and Caricare fields have produced to date more than 1.4 billion barrels of oil. We are also partners with Ecopetrol in the exploration blocks Llanos 39 and Llanos 52 in the department of Arauca.

Putumayo

In the Putumayo basin, we participate in exploration activities in six blocks in association with Amerisur Exploración Colombia (acquired by GeoPark Limited in January 2020).



Memberships and affiliations

We participate actively in the hydrocarbon sector initiatives, especially those geared to the promotion of sound ESG practices. We are members of the Colombian Safety Council (CCS), the Colombian Association of Petroleum (ACP) and the Mining and Energy Committee on Security and Human Rights (CME). We are also members of the Colombian Council of American Enterprises (CEA).

We are a member of the Extractive Industries Transparency Initiative (EITI), a global standard to promote open and responsible management of oil, gas and mining resources. This standard requires countries and companies to disclose information of the extractive industries value chain to strengthen government and company systems, contribute information for the public debate, and promote a general understanding of this sector. In Colombia, this initiative is led by the Ministry of Mines and Energy and includes representatives from the three sectors that are part of EITI: government, private enterprises, and civil society.



Introducing our ESG framework

SierraCol Energy is deeply committed to ESG excellence. We are aware of our responsibility to diminish our impact on the environment. Our dedication to the well-being of our workforce and wider communities leads us to make effective social engagement the heart of our work.

During 2020, with the participation of stakeholders, consultants and the management team, we have developed an ESG Strategy aimed at creating long-term sustainable value for our stakeholders. The Strategy has four pillars: safe and reliable operations, building constructive relations with all stakeholders, seeking opportunities to reduce greenhouse gas (GHG) emissions and enhancing our performance standards to international best practices by implementing our Environmental and Social Action Plan (ESAP) as a reference roadmap. The ESAP is the result of a comprehensive analysis of all our operations conducted by an international consulting firm in 2020.

Strengthening our corporate strategy to meet this critical objective, involves not only developing a culture aligned with ESG principles and practice, but also creating a governance structure with specific responsibilities that will enable us to meet the goals we have set for the future.

Through 2021, we will continue to improve our performance by strengthening our policies, processes and assessment practices, taking the standards of the International Finance Corporation (IFC) of the World Bank, the Equator Principles and the Task Force on Climate - Related Financial Disclosures (TCFD) as structural frameworks.

We will also work towards complying with the UN Sustainable Development Goals (SDGs), identified by currently industry practices and after evaluation of our environmental and social projects commitments. We will continue making efforts to align us with especially SDG 3, "Health and Well-being", SDG 4, "Quality Education", SDG 7, "Affordable and Clean Energy", SDG 8, "Decent Work and Economic Growth", SDG 11, "Sustainable Cities and Communities", SDG 13, "Climate Action", SDG 16, "Peace, Justice and Strong Institutions" and SDG 17, "Partnerships for the Goals".

Safe and reliable operations

- Maintain Total Recordable Incident Rate (TRIR) below 1.0
- Maintain our occupational illness incidence rate below 1%
- Prevent and mitigate the effects of COVID-19 on the health of our workforce by actively promoting vaccination and adapting our biosafety protocols as the pandemic continues
- Engage external stakeholders and surrounding communities in joint emergency drills

Enhancing our performance standards

- Implementation of Environmental and Social Action Plan (ESAP)
 - 46 specific actions to align our operations with the IFC standards, the Equator Principles and prioritised UN SDGs
- Define our ESG Roadmap to implement SDG framework
- Continue reporting our ESG performance to all our stakeholders with oil and gas sector standards

Building constructive relations with all stakeholders

- Maintain the prioritisation of local (Colombia) employment
- Maintain the prioritisation of national and regional contractors
- Active participation in initiatives to promote Human Rights
- Implement comprehensive Stakeholder Engagement Plans (SEP)
- Support local communities and institutions to counteract the effects of the COVID-19 pandemic
- Promote the safe economic reactivation and recovery of microentrepreneurs through established post-pandemic measures
- Improve the evaluation of our community investment programmes by exploring appropriate impact indicators

GHG Emissions reduction

- 50% reduction in emissions by 2023
- Aspire to eliminate routine gas flaring by 2025
- Carbon Neutral Aspiration by 2030
- Increasing use of renewable energy
- Take actions to align our operations with the TCFD framework

Our Environmental and Social Action Plan

Supported by an external consultant, we conducted a rigorous assessment of the degree and effectiveness of implementation of our HES Management System, and a detailed gap analysis against national and international standards. The final outcome of the assessment was an Environmental and Social Action Plan (ESAP) to close identified gaps.

The assessment was conducted against a set of environmental and social (E&S) standards, collectively referred to as the Applicable Standards:

- Colombia's laws, regulations, and permits associated to E&S matters
- International laws, including conventions and treaties adopted by Colombia's government related to E&S aspects, as applicable to our assets
- International Finance Corporation Performance Standards (IFC PS), dated 2012
- Equator Principles version 4 (EP4) effective from 1 October 2020, and
- World Bank Group Environmental, Health and Safety (EHS) Guidelines, as follow:
 - General EHS guidelines (2007)
 - EHS Guidelines or Onshore Oil and Gas Development (2007)

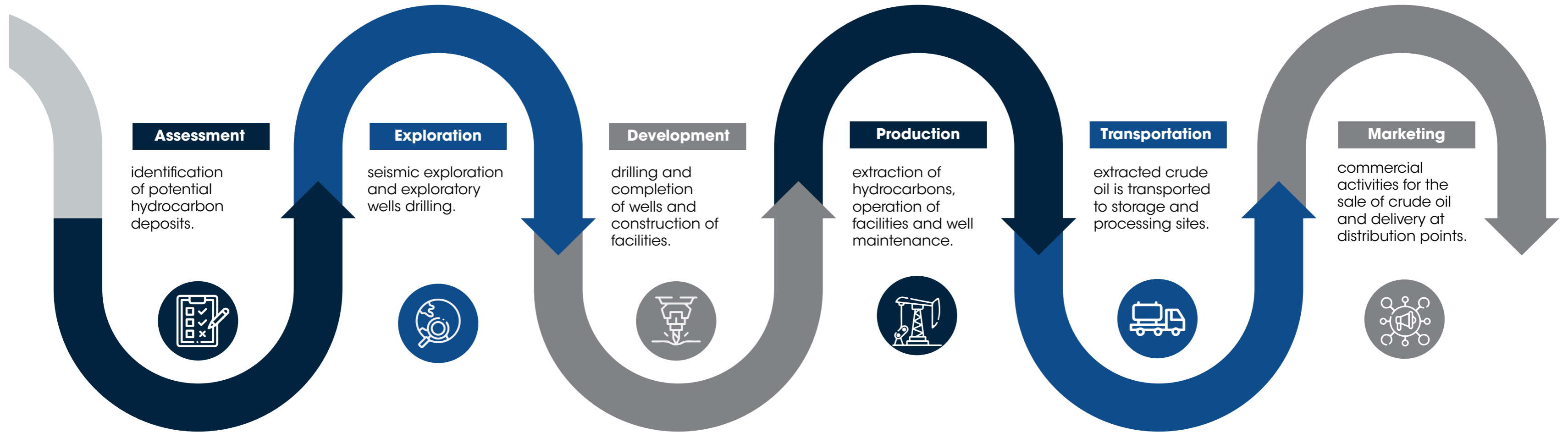
ESAP is a cornerstone of our ESG strategy

Goals from 2020

Climate change and Greenhouse Gas Emissions (GHG)	Evaluate additional options for GHG reduction	Communities	Finalise the process of alignment of SierraCol Energy with international standards in social responsibility, specifically ISO 26000 and IFC community standards	
	Complete the construction of the Cosecha field flow lines in order to continue eliminating gas flaring		Promote the safe economic reactivation and recovery of microentrepreneurs through established post-pandemic measures	
	Reduce our GHG emissions by replacing crude/diesel selfgenerators with electric power purchased from the National Power Grid System		Implement two new employee recognition awards, the "On the Spot Award" and "The Employment Service Recognition Award"	
	Begin Caño Limón solar park construction		Create an incentive scheme to encourage employees to demonstrate Company values	
Water management	Further align our water quality criteria with the World Bank guidelines	The value of our human talent	Offer 19 courses in soft skills with around 400 employees trained, including leadership workshops	
	Perform a preliminary calculation of our "water footprint"		Offer 11 technical courses with around 90 petro-technical employees trained	
	Update the environmental monitoring programme to include rainwater		Offer four workshops to employees on diversity and inclusion, to strengthen crosscompany awareness	
Biodiversity	Conduct a Critical Habitat Screening of existing operated areas	Worker health and safety	Maintain Total Recordable Incident Rate (TRIR) below 1.0	
	Revise the biodiversity programme to incorporate new measures to care of natural ecosystems		Maintain our occupational illness incidence rate below 1%	
Circular economy	Implement four of the prioritised circular economy alternatives		Strengthen the company's health record system.	Prevent and mitigate the effects of COVID-19 on the health of our employees and stakeholders by actively promoting vaccination and adapting our biosafety protocols as pandemic continues
	Work in partnership with the environmental authorities to develop circular public policies related to Y9 (oily waste)		Engage external stakeholders and surrounding communities in joint emergency drills	
Waste management	Evaluate the use of drilling cuts for civil works		Ethics and transparency	Update our ethics and compliance policies and procedures
Spills management	Update Risk Management Plans for Caño Limón and the Caricare-Caño Limón pipeline	Explore cybersecurity improvements and develop techniques to respond to cybersecurity incidents		
	Human Rights	Conduct training for the spills control group with an external specialist in spills in water bodies	Ensure the training of our employees in our compliance policies	
Security		Review of our human rights policy and conduct a human rights risk and impact assessment	Regulatory and environmental compliance	Maintain our record of compliance and nonpenalisation for all environmental permits
	Strengthen our security strategy as per the results of an internal analysis validated with external experts	Renew all required permits for emissions, forestry use and water withdrawal and discharge		
Communities	Strengthen our Regional Centres of Hope and Opportunities (CREO) programme	Communications and stakeholder relations	Disclose SierraCol Energy's operational and ESG practices	
	Improve the evaluation of our social investment programmes		Strengthen communications and outreach strategies within the framework of the COVID-19 pandemic	
	Continue financing the "Connectivity with Purpose" project, offering internet connectivity to the five additional schools		Implement a strengthened plan for the Company's Social Engagement Plan (SEP) to all our stakeholders	

Our value chain

Oil process at SierraCol Energy Every oil processing project we undertake comprises several key elements:



Destination of our production

During the first semester a portion of our production, coming mainly from Caño Limón field was exported, while the remaining from our Middle Magdalena fields was sold to Ecopetrol. In June 2020, 100% of our production began to be sold to Ecopetrol to feed the Barrancabermeja and Cartagena refineries in Colombia.

Contractors and service suppliers

In order to execute our hydrocarbon exploration and production activities and comply with our contractual obligations with the Colombian government, we rely on a significant number of international, national and local contractors that supply us with the goods and services required during the life cycle of the exploration and production projects.

The participation of contractors is essential to achieving our business objectives within the framework of the law, as well as ESG standards and the best practices applicable to our industry. Through contracting processes and the inclusion of ethical behaviour and good business practice clauses, we endeavour to help our contractors prosper as well as to advance in sustainability practices and ESG performance, with a special focus on respect for human rights as a fundamental pillar.

Our contractors are required to demonstrate good performance credentials on business and sustainability matters prior to signing service agreements with us. We carry out a detailed due diligence process to understand the background of our suppliers, contractors, and subcontractors. We also verify and validate their experience through the Single Registry of Contractors and the Health, Safety, and Environment Evaluation Management System (RUC) of the Colombian Safety Council (CCS). It is important to note that we do not necessarily consider RUC evaluation results as a cause for disqualification of a given contractor; however, they are the baseline against which its performance will be measured.

We ensure that the procurement of goods and services for our Company is a well-structured, competitive, transparent and fair process. Our SAP-Ariba platform helps

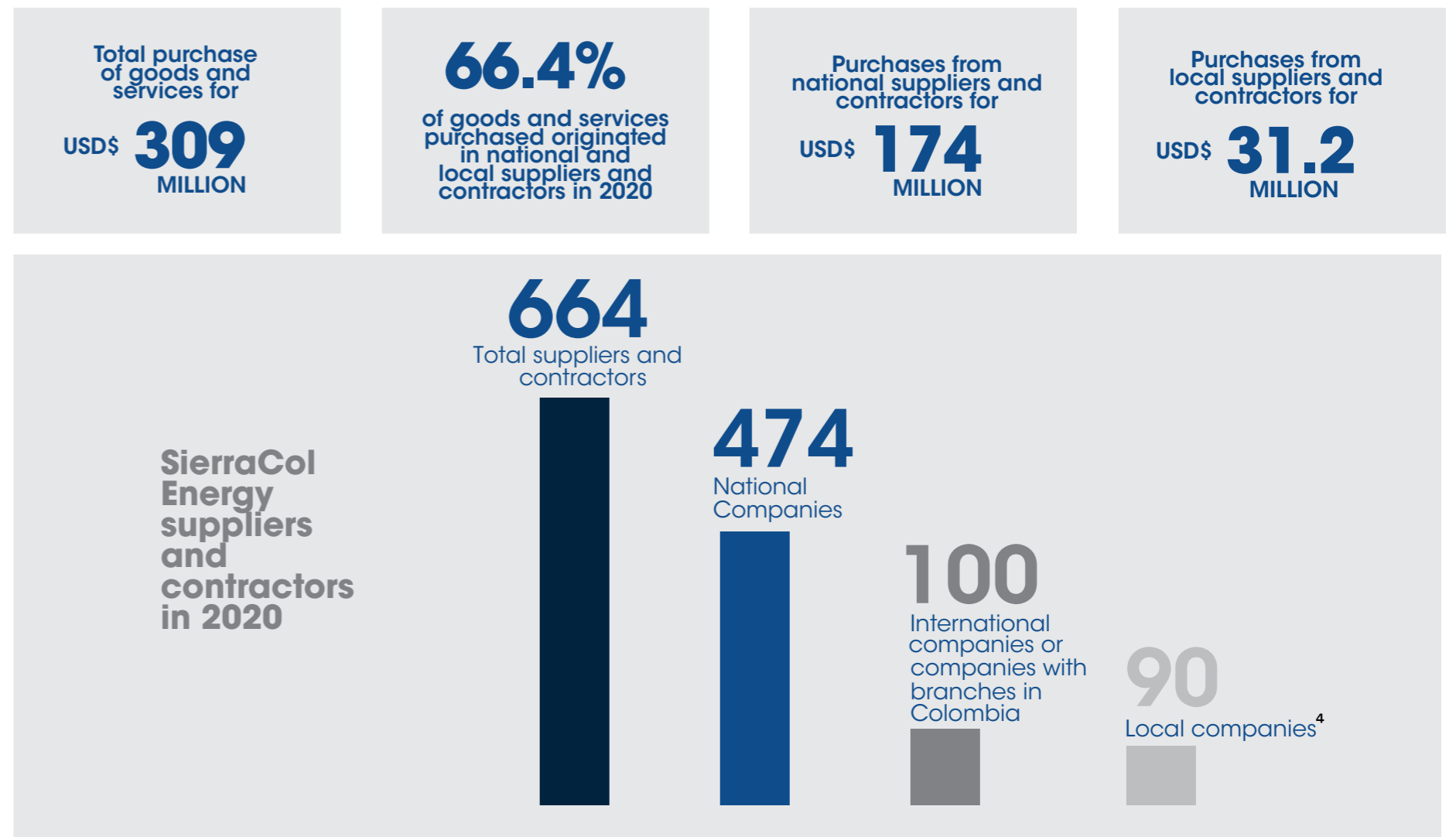
us document the results of this process as well as approvals and support requirements for future auditing exercises.

Our contractors are critical for our business and have a great impact in meeting our objectives. Compliance with contractual obligations by each of them is carefully audited. In addition, we intend to finalise the implementation of our Strategic Plan for the Development of Local Suppliers, through which we will define potential contractors in our area of influence in order to promote regional development.

In 2020, SierraCol Energy established commercial relationships with 664 suppliers and contractors; 71.4% are national companies and 13.6% are local⁴.

We carry out a detailed due diligence process to understand the background of our suppliers, contractors, and subcontractors

⁴ Local companies are those located in the departments or municipalities in which SierraCol Energy operates.



Strong and competitive value chain

Our Strategic Plan for Local Contracting, which has been in operation for more than ten years, emphasises our commitment to the Company's value chain. Our objective is to strengthen the performance of local companies and expand their opportunities to serve different markets and customers. To achieve this goal, we developed strategic alliances with municipal mayors' offices, regional chambers of commerce, compensation funds and the National Learning Service (SENA), a key partner in business training processes.

Based on the results of a survey of local companies' training needs in administrative, financial, safety and operational requirements, we developed a skill enhancement programme. Through our programme, companies gain access to relevant technical support to overcome the areas of improvement they have identified, thus being able to obtain the certifications required for the contracting processes and comply with local regulations and laws. We have also partnered with municipal authorities to create the "Local Seal", an award for local entrepreneurs servicing the Teca-Cocorná field who have completed the training program and exhibit outstanding quality performance.

In this way, we have supported over 100 local suppliers to professionalise and become formal legal companies, taking advantage of Colombia's simplified joint stock company. This has helped increase local content and create much needed economic development in our local areas. It ensures that the benefits of a thriving extractives industry are shared by local small companies and supports sustainable local economic development in regions where we operate.

Over the years we built a database of qualified local suppliers and subcontractors to facilitate our contracting processes. As of December 31, 2020, there were 40 suppliers and 160 subcontractors in the La Cira Infantas field; 100 suppliers and 60 subcontractors in Teca-Cocorná; and 100 suppliers in Northern Llanos, all of which benefited from our Strategic Plan for Local Contracting.

Voices from our contractors and suppliers

"We have benefited from courses for incoming personnel, and training in industrial hygiene and safety, as well as the use of tools for submitting bids and billing. We have also received certificates of experience." Jeremías Vesga, legal representative of Jeremías Vesga S.A.S.

"Caño Limón is the best school. The company's high management standards are a reference for us and the rest of the country; despite not having an academic background, we benefit from this because we are trained in those processes and regulations, all of which makes us professionals." José Escobar, legal representative of Arsint, the company in charge of catering for contractors.

"At La Cira Infantas we have benefited from the Company's support as we learn to comply with standards and requirements such as billing practices, industrial safety, COVID-19 protocols, and risk and hazard management. In addition, over time we have improved the quality of our processes and are able to meet technical contractual specifications." Benito Duarte, legal representative of Benito Duarte S.A.S.



Economic performance

We base our business model on the potential of our assets in the country, a solid reserves foundation, and stable oil and gas production with long-term prospects. Our approach revolves around efficiency and low operating costs, as well as addressing social and environmental challenges to ensure that production is aligned with the highest sustainability standards. In this manner we aim to respond to our stakeholders' expectations, while adapting to a changing energy market and adding value for our investors.

A strong performance in challenging times

- Average realised prices decreased 32.4% year-over-year to \$39.1/bbl from \$57.8/bbl, due to lower commodity prices caused by the COVID-19 pandemic and the resulting global economic slowdown.

- Net daily average production on a net entitlement sales volume increased by 1.1 kboepd, or 2.9%, to 37.6 kboepd for the year

ended December 31, 2020, compared to 36.5 kboepd for the year ended December 31, 2019, primarily as a result of our successful development drilling in the Cosecha field in the Caño Limón area, which more than offset lower production at the La Cira Infantas field driven by lower workover activity.

- Operating costs decreased by 8.5% from 2019 to 2020 mainly due to lower workover and well services activities in response to the drop in oil prices and the pandemic, as well as the successful implementation of cost reduction measures.

- The lower capital expenditure during the year ended December 31, 2020 was mainly due to the significant reduction in development wells drilled compared to the year ended December 31, 2019, as a result of the COVID-19 pandemic.

We did not receive financial assistance from the Colombian Government in 2020.

Our financial statements were audited by KPMG S.A.S.

In 2020:

Community investment was USD \$2.7 million

We maintained stable salaries and employee benefits compared to 2019

Taxes paid and estimated royalties added USD \$133.0 million

Direct economic value generated and distributed (USD million)

Economic value generated (Oil and gas sales and other revenue)	536.7
Economic value distributed ⁷	294.8
Operating costs ⁶	143.7
Payments to employees ⁸	36.9
Payments to capital providers	50.3
Payments to Government Taxes paid	63.8
Economic value retained ⁹	241.9

Financial Results⁵ (USD million - unless otherwise stated) 2019 2020

Oil realised price (\$/bbl)	57.8	39.1
Oil and gas net sales (kboepd)	36.5	37.6
Oil and gas sales and other revenue	769.2	536.7
Operating costs	157.0 ⁶	143.7
DD&A	212.4	200.0
Administrative expenses	48.4	37.0
Net Income	167.1	37.2
Net cash provided by operating activities	342.8	291.5
Capital expenditures	194.6	49.7



⁵ Results from 2020 Combined Financial Statements Dec 31, 2020.

⁶ Calculated from cost of sales excluding DD&A, impairment, exploration expenses, abandonment costs, cost of purchased crude and inventory fluctuation.

⁷ Excludes economic value associated with royalties paid in kind which, for 2020, were 1.8 million barrels. Valued at an average price of USD\$ 39.07, they equate to USD \$69.2 million. Community investment of USD \$2.7 million is included in the cost of sales and payments to capital providers.

⁸ Corresponds to salaries and benefits of administrative personnel. Salaries and benefits of field personnel are included in operating costs.

⁹ Economic value generated minus economic value distributed.

On this report



This is our first Sustainability Report which discloses information about our performance on ESG issues from January 1, 2020 to December 31, 2020. Our Board of Directors will use this as a base for SierraCol Energy to continually analyse performance for future annual reports.

Regarding this report

We understand the need to respond to the concerns and expectations of stakeholders and investors regarding our management of key sustainability issues. In this regard, this report has been prepared in accordance with the Sustainability Accounting Standards Board (SASB) and the GRI Standards: Core option; on the material topic "Ethics and Transparency" indicators for GRI 205-3 are not available in this report. This omission is due to the fact that relevant data was collected during the Company's transition from Occidental Petroleum Corporation. Our expectation for 2021 is to report at least one indicator for each material topic.

The results published in this report principally refer to the areas over which we exercise operational control in the department of Arauca (Northern Llanos region): Cravo Norte, Rondón, Chipirón and Cosecha. However, given the nature of our participation in other non-operated fields in the Middle Magdalena Valley, namely, La Cira Infantas and Teca-Cocorná, we include data on purchase of goods and services and hiring of local skilled and unskilled labour. In the latter fields, SierraCol Energy signed a Business Collaboration Agreement with Ecopetrol through which we participate actively in the aforementioned areas.

All financial and economic performance data is expressed in USD. The average market exchange rate of COP\$3,693=USD\$1 was used for all currency conversion in this report.

To address any concerns on the contents of this report, please contact us at comunicaciones@sierracol.com Our full 2020 Sustainability Report can be found at www.sierracolenergy.com.

This report was not subject to external verification. However, at the request of the senior management of our team, a pre-assurance process was carried out led by PricewaterhouseCoopers, AG.



Our materiality assessment

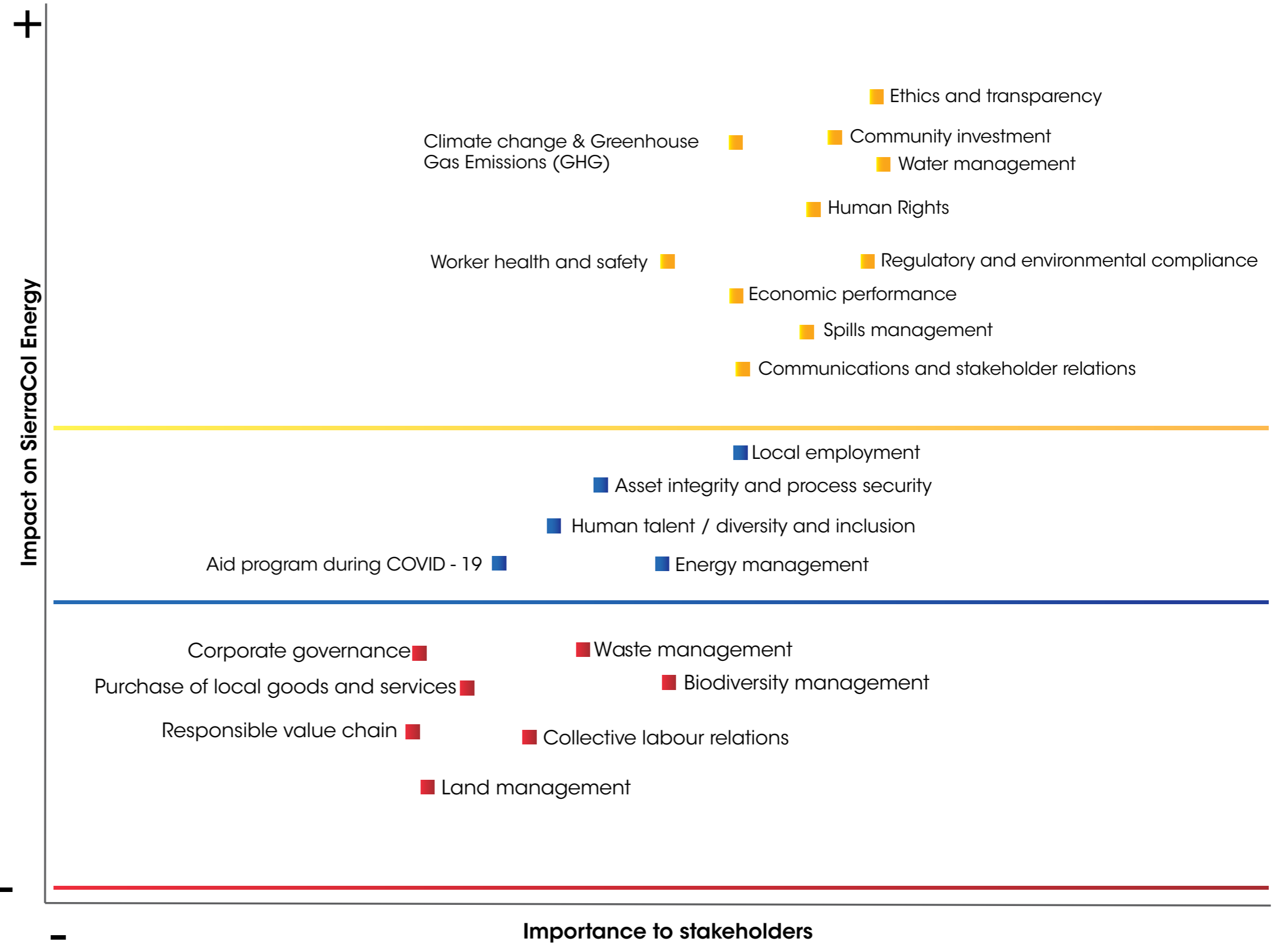
We conducted a materiality¹⁹ assessment referencing relevant national and international companies in the hydrocarbon industry. Based on a list of universal ESG issues and through an online survey completed by our stakeholders, we prioritised ESG issues of material interest for SierraCol Energy. Our survey was completed by 19 SierraCol Energy managers and direct reports from across the different areas of the Company. An additional 128 respondents from among our stakeholder groups, including a sample of employees, community members, political authorities, business partners, civil society, contractors, suppliers and media representatives, also completed the survey.

Our stakeholders have been defined taking into account the experience of more than 30 years of our predecessor, Occidental Petroleum Corporation in Colombia and SierraCol Energy's expectations concerning its relationships and positioning. Through our materiality consultation process and the implementation of effective communications channels and tools, we guarantee the participation of our stakeholders, understand their concerns and expectations, and endeavour to respond to them. Further information is available in the [Communications and stakeholder relations](#) chapter of this report.

The results of our materiality survey are shown below:

- Ethics and transparency
- Regulatory and environmental compliance
- Water management
- Climate change and greenhouse gas emissions (GHG)
- Community investment
- Economic performance
- Spills management
- Communications and stakeholder relations
- Worker health and safety
- Human Rights

In addition, this report reveals our performance with regard to other ESG issues related to Security, Human Talent, Biodiversity and Circular Economy, which we consider highly relevant for SierraCol Energy.



¹⁹ A materiality assessment is aimed at ensuring that both SierraCol's and stakeholders' insights and expectations are considered as part of an analysis in which 'Impact on SierraCol' and 'Importance to Stakeholders' are correlated over a range of ESG-relevant issues. These issues are then mapped onto a matrix in order to give a prioritised list of the issues that are regarded as most material – ie. most important on a day-to-day level to the business.

Scope of impact of material issues



The following table shows the material issues and their scope of impact, i.e., where events may occur related to each ESG issue, and the Company’s involvement in each of them. Over the remainder of the report, we outline our impact on these material issues, and our targets for improvement.

	Internal boundary	External boundary
Ethics and transparency	Legal and Corporate Affairs	Authorities, employees, community, civil society, service suppliers and contractors.
Regulatory and environmental compliance	Legal, Operations and Sustainability	Authorities, communities, employees, customers, service suppliers and contractors.
Economic performance	Finance	Investors
Communication and relationship with stakeholders	Communications and Social Responsibility	Authorities, employees, community, civil society, media, service suppliers and contractors.
Climate Change and Greenhouse Gas Emissions (GHG)	Sustainability and Operations	Authorities, investors, communities, civil society and customers.
Spills management	Operations and Sustainability	Employees, communities, authorities, service suppliers and contractors.
Community investment	Sustainability and Social Responsibility	Communities, authorities and civil society.
Human rights	Legal, Corporate Affairs and Sustainability	Communities, civil society, employees, service suppliers and contractors.
Worker health and safety	Sustainability	Employees, communities, service suppliers and contractors.
Water management	Operations and Sustainability	Authorities, communities and civil society.



Commitment to the environment

This section shares our goals from 2020 in the area of commitment to the environment. This relates to our ESG Strategy pillars of carbon emissions reduction and enhancing our performance standards. Additionally covers our policies on and commitments to climate change and greenhouse gas (GHG) emissions, water management, biodiversity, circular economy, waste management and spills management.

Our goals are to continue to apply the highest environmental standards, to continually increase our targets, and to work closely with local and international stakeholders on key environmental issues. An important goal for us is a 50% reduction of our scope 1 and 2 carbon emissions by 2023, with an aspiration to be carbon neutral by 2030.

Climate Change and Greenhouse Gases (GHG)

We are aware of the immediate and long-term risks associated with climate change, such as the increasing frequency and impact of weather events which prevent business as usual. We are also aware of the impact our business has on the environment at local and global level, and the effect this has on people and their way of life. Through ongoing assessment of our operations, we are implementing initiatives to reduce emissions, bolster our infrastructure and positively influence the communities around us.

Minimising our environmental impact

Our senior management team is leading our GHG reduction efforts by setting goals consistent with national and international standards. After the creation of SierraCol Energy, we determined 2019 as the GHG emissions baseline year in order to compare the efficacy of our reduction initiatives. That year marked the beginning of Cosecha field production in an otherwise stable context of operations.

Our plan includes:

- Elimination of crude oil self-generation
- Elimination of routine gas flaring
- Utilisation of renewable energy sources through the construction of a new solar park
- Reduction of methane and other fugitive emissions

An external consultant supports us in creating an inventory of our emissions. These are recorded using the SANGEA® tool, which guarantees information traceability and enables us to make decisions in a timely manner.



We are committed to reduce our carbon footprint by 50% by 2023 (scope 1 y scope 2) with an aspiration to be carbon neutral by 2030

For Scope 1 and 2 GHG emissions consolidation, we used the operational control approach. Calculations are based on API Compendium (2009) Emission Factors, including stationary and mobile combustion sources, process and venting emissions, fugitive emissions and other indirect sources. The gases included in the calculation are CO₂, N₂O and CH₄. The IPCC Global Warming Potentials Fifth Assessment Report used are CO₂ = 1; CH₄ = 28; N₂O = 265. The uncertainty of the total GHG inventory for the year of this report was estimated at 2.58%, in accordance with IPCC guidelines.

GHG Emissions – Scope 1

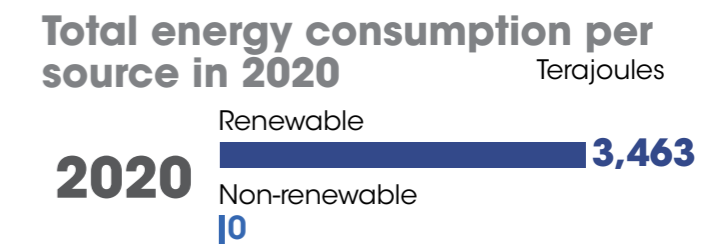
CO₂e metric tons

2019	512,472
2020	500,218 (-2.4 %)



Breaking down the GHG emissions by source shows that more than half (56.5%) of our energy requirements come from stationary combustion. In 2021 we will initiate an ambitious emissions reduction programme.

We will shut down and replace a selection of our crude/diesel internal combustion self-generation equipment, replacing this energy by connecting to the National Interconnected Power Grid System. This will be complemented by the construction of a solar park in the Caño Limón field, which will have the capacity to generate approximately 20 megawatts in the first phase and an additional 20 megawatts in the second phase.



Scope 2 GHG emissions originate from energy purchased from the National Power Grid System and through cogenerated energy from a contractor in Northern Llanos operations.

Measurement of emissions for the National Power Grid System was calculated by the Mining and Energy Planning Unit (UPME) of the Colombian Ministry of Mines and Energy. For cogenerated energy, the emission factor was estimated from the characterisation of the gas used in the process (chromatography).

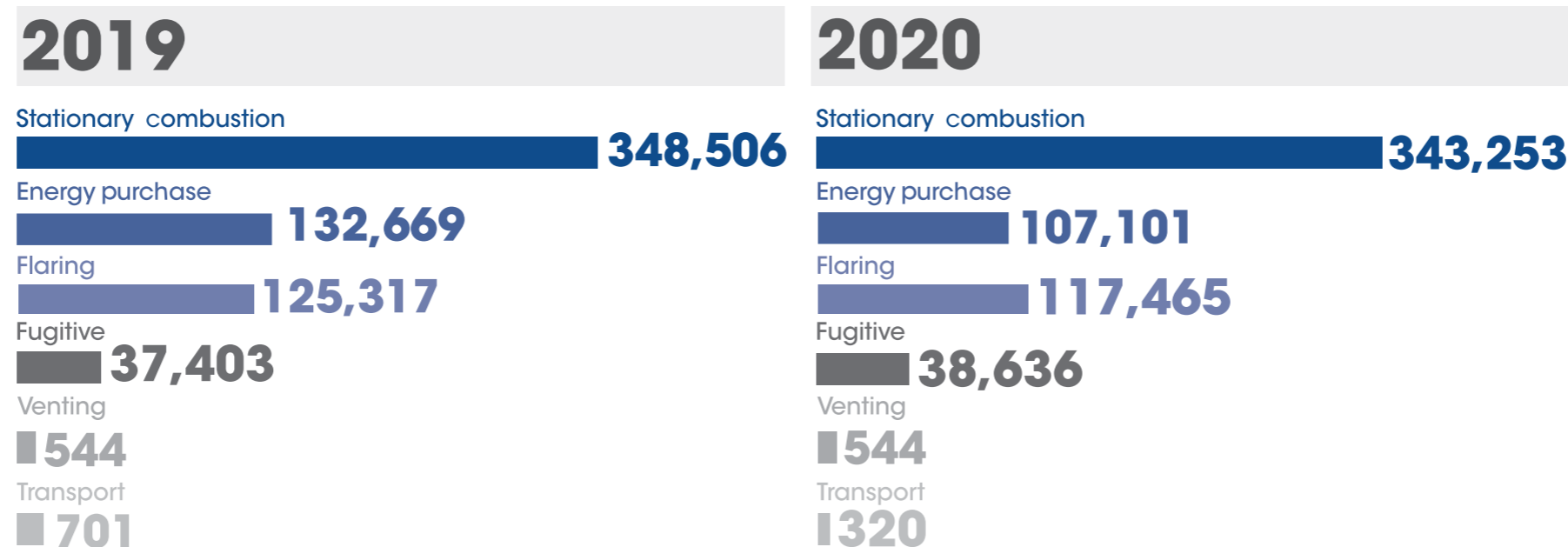
For Scope 1 GHG emissions, direct emission sources are estimated, including fuel combustion for power generation (diesel and crude oil), gas flaring, venting and fugitive emissions. In 2020, we calculated biogenic CO₂ emissions from the biofuel (palm oil, which is 2% of the total volume of employed diesel). These emissions were calculated using the Colombian Fuel Emissions Factors (FECOC) database for biofuel.

Biogenic emissions

CO₂e metric tons



GHG emissions per source CO₂e metric tons



GHG Emissions – Scope 2

CO₂e metric tons



We are committed to accurately assessing the amount of our emissions by measuring scope 3 GHG emissions for 2021. For the year covered by this report, we calculated emissions intensity from scopes 1 and 2.

Emissions intensity rate

CO₂e metric tons/kboe

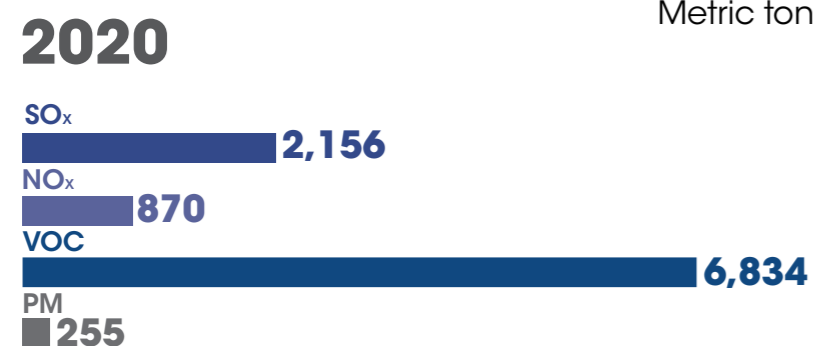


Note: the number of average barrels produced (gross) by SierraCol Energy (denominator) was 51,000 bopd

We do not produce emissions of ozone-depleting substances as part of our operations. We measure emissions of air pollutants, as shown in the following table.

Other significant air emissions

Metric tons



Our goals from 2020:

Evaluate additional options for GHG reduction

Complete the construction of the Cosecha field flow lines in order to continue eliminating routine gas flaring

Reduce our GHG emissions by replacing crude/diesel self-generators with electric power purchased from the National Power Grid System as part of our Energy Transition Programme

Begin Caño Limón solar park construction

Water management

We are committed to a holistic water management programme. Water is highly important as an essential shared resource for communities, local ecosystems and our operations. We ensure the management of water resources in our facilities and operations is conducted with great care and meets all statutory legal requirements.

As a valuable resource, water is used in drilling, well intervention, production facilities and related activities of the operation, such as emergency systems, kitchens, offices and camps.

The main source of water supply in our operations is groundwater, with surface water in a significantly lesser proportion. We do not operate in water stress zones and we do not extract seawater or purchase water in bulk from third parties to meet the needs of our operations.

Protecting our water sources

All our activities comply with national water protection standards at every phase. The correct management of water in our different operations is of great importance. For this reason, we have implemented specific procedures for water quality protection, which incorporate regulatory requirements governing drinking water, surface water, groundwater and wastewater.

We analyse the impact of our operations on the environment by applying a methodology that covers the entire life cycle of hydrocarbon exploration and production projects. This leads to a classification of our processes and activities according to their impact. We can then prioritise the significance of these actions and focus efforts on minimising impact. The measures we adopt as a result of this classification exercise are consistent with the Environmental Management Plans (EMPs) and/or permits granted by the environmental authorities.

A holistic Water Management System¹¹

The use, treatment, management and final disposal of water in our Arauca operation is conducted to ensure a harmonious coexistence with the surrounding environment and ecosystems.

-The Caño Limón field generates more fresh water than any other oilfield in the country, producing more than 2 million barrels of fresh water per day during 2020.

-The water management process begins with the extraction of fluid from producing wells at a depth of about 7,500 feet. The separation of water from crude oil, solids and gas occurs in the free water knockout tanks (FWKOs) and in the flotation cells.

- Due to the geothermal gradient, the temperature of water in the wells is around 90 degrees Celsius and is then cooled by sprinklers to ambient temperature. This System helps oxygenate the water and remove organic compounds.

- As Caño Limón's production water is fresh water, it is free of naturally occurring radioactive material (NORM) and heavy metals. The maximum chloride content is below 63 parts per million (ppm), which is well below the chloride limit for drinking water (250 ppm). This factor differentiates Caño Limón from many other oilfields where the water is salty and must be reinjected.

- After treatment in our two production facilities (PF1 and PF2), the water enters a system of more than 104 hectares of stabilisation and oxidation ponds. When it is discharged into surface bodies of water, it meets the regulatory requirements stipulated by the environmental authority.

- The bodies of water receiving the discharged industrial wastewater treated in the production facilities of the Caño Limón field are the Aguaverde swamp for PF1 and the La Conquista swamp for PF2. This water feeds swamp ecosystems where various species of flora and fauna in the region, including migratory species, are present. This also helps



generate a necessary wildlife refuge, especially during the dry season from December to March.

- For the Caricare development field, all industrial wastewater is released into the reservoir through disposal wells, as authorised by the Environmental Licence granted to our Company.

- For the treatment of domestic wastewater in Caño Limón and Caricare, our Company has treatment plants and septic systems. We ensure that the discharged water is periodically monitored and complies with current environmental regulations.

Our forward-looking commitments

We have a robust follow-up and monitoring programme for the quality of ground and surface water, for discharges of industrial and domestic water and for bodies of surface water in our operational areas. We have more than 370 monitoring points and 7,100 parameters analysed at all sites.

In order to conserve and make optimal use of the water resource, we currently develop a programme for the efficient use and saving of water as an integrated management process in industrial activities.

As part of our commitment to the planet and the sustainable development of the areas where we operate, by 2021 we will align ourselves with the water quality standards defined by the World Bank. We will also begin to calculate our 'water footprint', in order to identify opportunities for improvement in better use of the resource, and establish critical markers for quantity, quality and resilience.

Water management is a key sustainability factor for SierraCol Energy

¹¹ All water data is from the Northern Llanos fields.



Water withdrawal*

As part of our water resource control and forward-looking programme, we have implemented different ways of managing the information associated with water extraction. To record groundwater collection by site, we have daily information from flow meters. We periodically test the static and dynamic levels of the aquifers by conducting pumping tests.

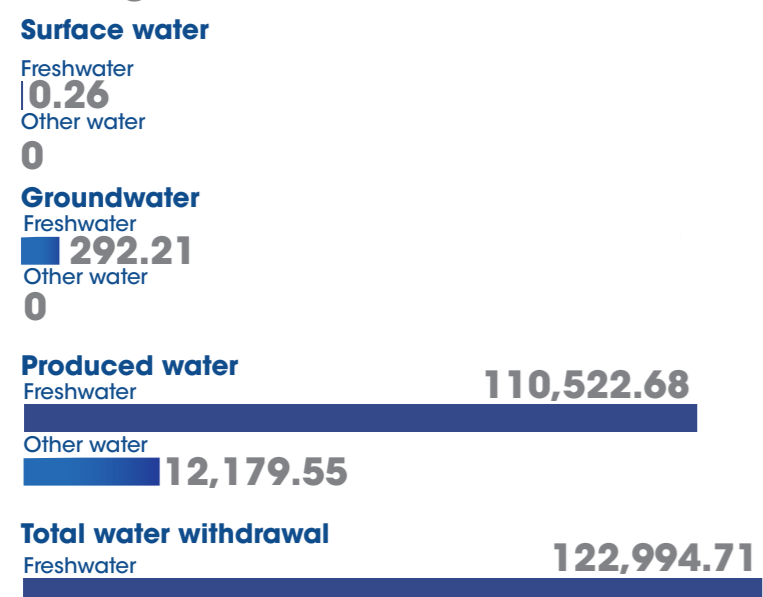
Water withdrawal volumes for operations are verified by specialised professionals. To ensure the preservation of water resources, we monitor groundwater sources through a piezometric network in each operation. The control of surface water collection is in accordance with the parameters established in the permits issued to us by the relevant environmental authority.

*All water data is from the Northern Llanos fields

We do not operate in water stress zones

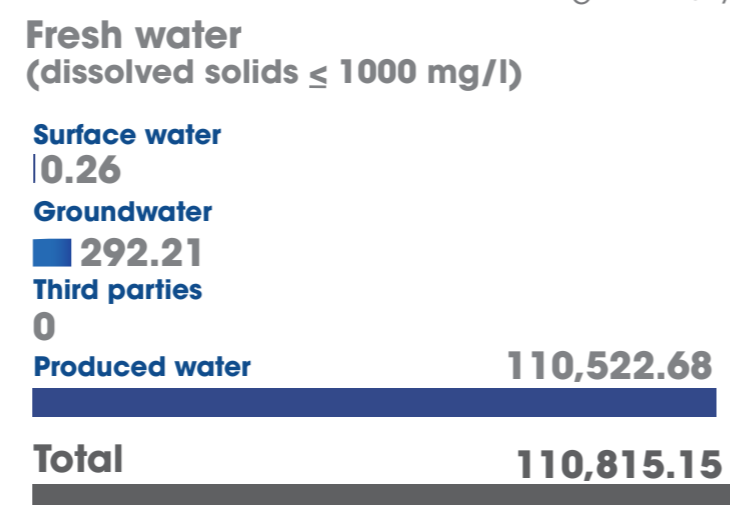
Water withdrawal by source and category

Megaliters / year



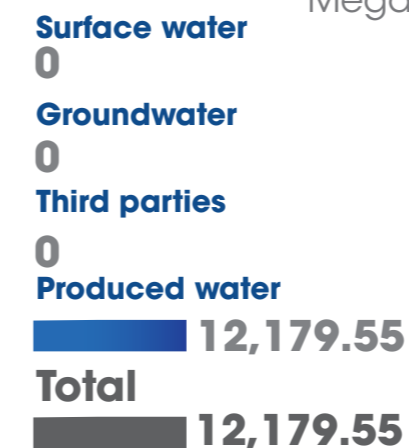
Water withdrawal per quality

Megaliters / year



Other water (dissolved solids > 1000 mg/l)

Megaliters / year



Water discharges

Discharges of industrial water are conducted in accordance with local regulations. These guidelines define the criteria and procedures for the management of surface and groundwater, discharges and final disposal.

Water discharge in all zones by destination

Megaliters / year
(dissolved solids > 1000 mg/l)

2020

Domestic

Water body

63.21

Soil

17.51

Industrial

Water body

108,917.85

Soil

0

Total

108,988.57

Water disposal by reinjection

Megaliters / year

2020

Improved recovery

1,604.82

Final disposal

12,179.55

Total

13,784.38

Industrial wastewater

Our field facilities at Northern Llanos have an online system to monitor water production. Using the IFIX Supervision System, we calculate the amount of produced water in real time and record it daily.

As outlined in detail above, the water produced at the Caño Limón field operations in Northern Llanos is extensively treated to produce freshwater.

Industrial wastewater from the Caricare and Cosecha fields undergoes similar treatment as water from the Caño Limón field, but is sent to disposal wells.

Sanitary landfill leachates ¹²

Landfill leachates at the Caño Limón field are pumped to a grease trap, from which they are returned to the operative cells and then treated using an oxidation pond, in line with the corresponding EMP.

Domestic wastewater

The treatment of domestic wastewater generated in Northern Llanos undergoes a variety of different processes (aerobic, anaerobic or combined) before being disposed of either to surface water or infiltration fields.

Using water efficiently

We have implemented programmes for the efficient use and saving of water as defined by Resolution No. 1257 of July 10 2018, of the Ministry of Environment and Sustainable Development. We promote awareness campaigns for our workforce and conduct permanent follow-up activities and controls to prevent the loss of water in distribution systems. We also execute initiatives for the recycling and re-use of water at the drilling stage.

¹² Water that has percolated through a solid and leached out some of the constituents.

Our goals from 2020:

Further align our water quality criteria with the World Bank guidelines

Perform a preliminary calculation of our "water footprint"

Update the environmental monitoring programme to include rainwater



Chipirón: harmony between oil production and the environment

With the acquisition of land assets from Occidental Petroleum Corporation, we inherited one of the most symbolic industrial projects in Colombia: Chipirón, located in the department of Arauca. Ten years on from the authorisation to develop the area and after seven years of operations, this field continues to be an outstanding example of harmonious coexistence between oil production and the area's diverse flora and fauna ecosystems.

The site was built as an artificial island in the El Lipa swamp and consists of 1.5 hectares of the 20,000 hectares that make up this water system (2010 estimation). A railroad, just over 3 km long and

elevated on metal piles, ensures uninterrupted water flow, and the passage of light and wildlife traffic. It also connects the drilling platform with the mainland, where the material and heavy equipment required for the operation is stored.

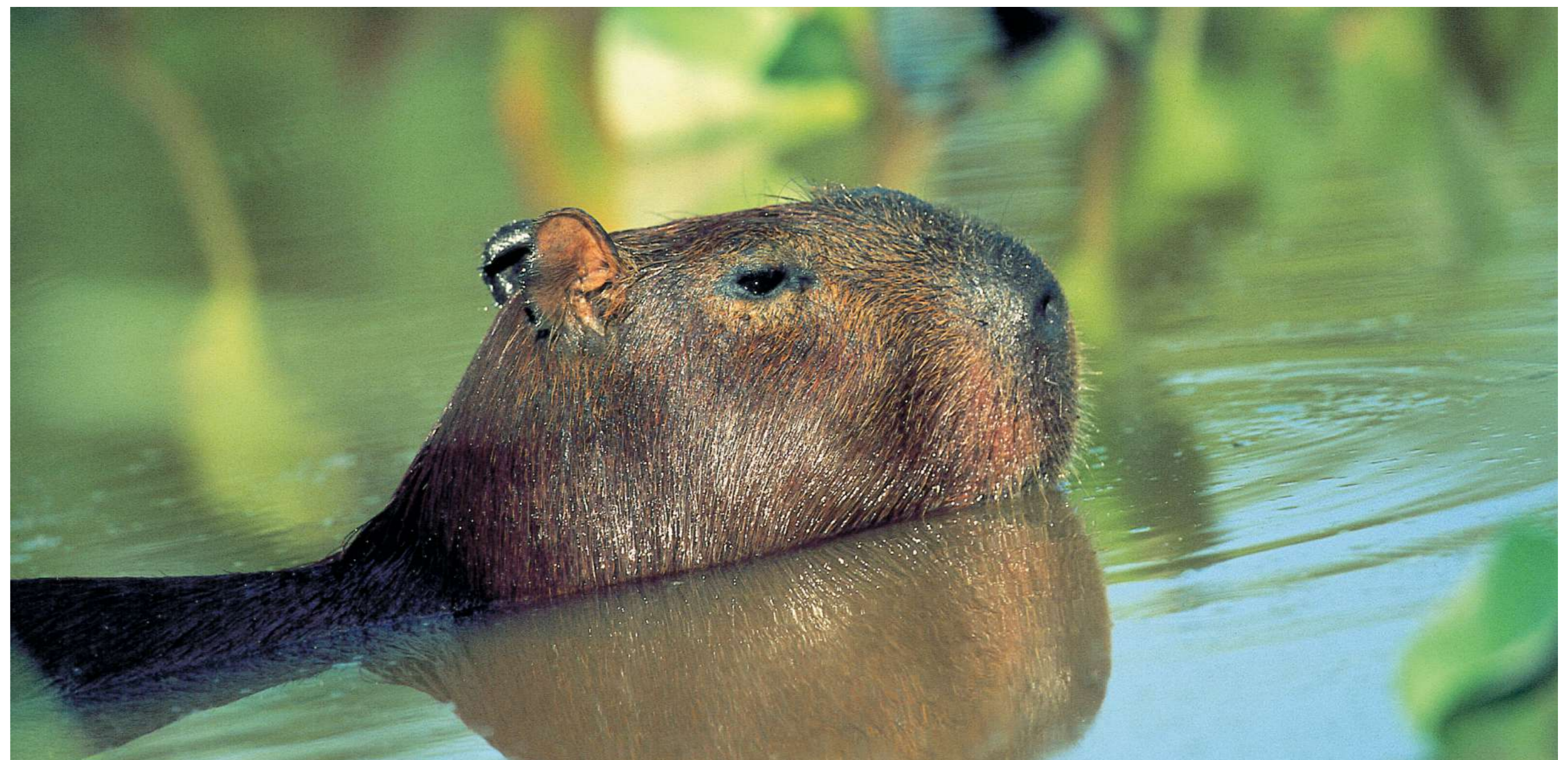
We are committed to managing risk, the preservation of the ecosystem and the biodiversity of the area, and are very aware of the impact our operation has on the environment. Our responsibilities are clear: to monitor and manage water quality, and all waste matter, and to maintain the high standards essential to the conservation and care of this area.

Biodiversity

Our activities in the department of Arauca take place in zones that are part of an important area for biodiversity. We follow the guidelines established by specialised third parties that have conducted studies of this environment.

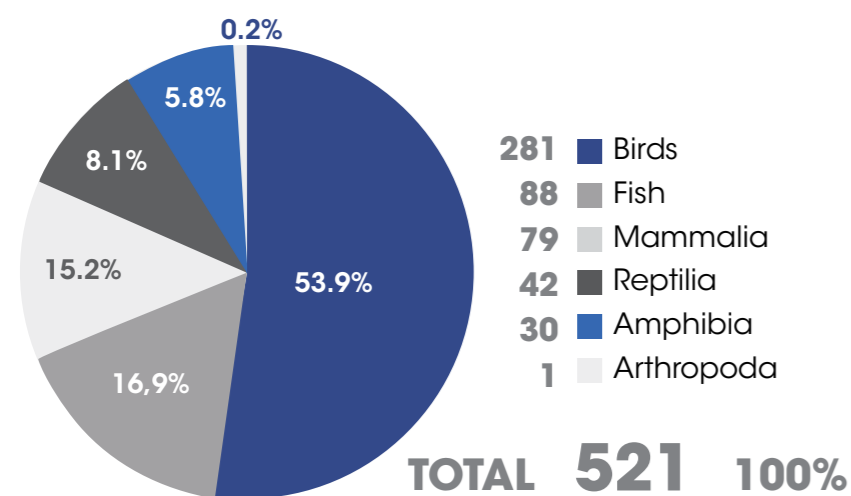
We have developed a database related to the species of flora and fauna found in each area of interest based on previous environmental studies. We cross-check against the International Union for Conservation of Nature (IUCN) lists, national lists and other relevant sources, which provide us with information on biodiversity in the area.

Over the last five years, we designed and implemented three programmes with 134 participants in local communities in the villages of La Osa, Mataocura, Los Búfalos, Las Acacias, Alto Primores, El Futuro, Altamira, El Final, Todos los Santos, Sinai, Nubes A, Saltos del Lipa and Panama de Arauca. The programmes raise awareness on the need to preserve the local ecosystem in order to ensure the long-term stability of the farming environment. They address a particular need to limit illegal slash-and-burn agriculture in natural areas. For the next ten years, the goal is to maintain, conserve and restore and implement sustainable land use projects of around 550 hectares.



Species of fauna a per threat category by the IUCN and National Listing in or near SierraCol Energy projects in Northern Llanos

Percentage of fauna registered in or near SierraCol Energy projects in Northern Llanos



CLASS	IUCN THREAT CATEGORY			TOTAL
	VU	EN	CR	
MAMMALIA	8	3	1	12
BIRDS	2	0	0	2
REPTILIA	1	0	0	1
TOTAL	11	3	1	15

VU: Vulnerable EN: Endangered CR: Critically Endangered

CLASS	NATIONAL THREAT CATEGORY			TOTAL
	VU	EN	CR	
MAMMALIA	8	2	2	12
BIRDS	2	0	0	2
REPTILIA	2	0	0	2
FISH	1	0	0	1
TOTAL	13	2	2	17



In 2020, the National Environmental Licensing Authority (ANLA) ratified compliance with reforestation of 500 hectares in Caño Limón

In compliance with national environmental regulations, we developed several compensation and investment activities in co-ordination with Corporinoquia and the ANLA. As a part of Occidental Petroleum Corporation, we have contributed to the reforestation of more than 500 hectares over 20 years and have acquired more than 50 hectares of land for future ecosystem conservation and restoration.

We have also developed a forest enrichment and sustainable use programme, planting native species and encouraging agroforestry systems for cocoa, plantain and other crops.

Our goals from 2020:

Conduct a Critical Habitat Screening of existing operated areas

Revise the biodiversity programme to incorporate new measures to care of natural ecosystems, in accordance with IFC's performance standard 6

Rescue of an Amazon River Dolphin in the vicinity of Caño Limón

The Arauca department enjoys a rich ecosystem which has allowed the presence of the Amazon River dolphin, also known as pink dolphin or tonina. This cetacean has been classified by the IUCN as an endangered species, and for this reason we promote initiatives for its protection.

In this region water levels can experience sharp and sudden reductions during the transition period from the rainy season to the dry season causing pink dolphins to be stranded, especially in areas close to the Caño Agua Limón, putting their survival at risk. We have, on several occasions, participated in the rescue of these unique dolphins, which are so important to the region.

In early October 2020, inhabitants of the village of El Final, located in the rural municipality of Arauquita, informed the authorities about the presence of a 2.20-metre-long female dolphin, weighing approximately 160 kg, which had become stranded in shallow waters of the Caño Agua Limón. We immediately alerted officers of Corporinoquia (the environmental authority), members of the Arauca fire department, and officers of the Cuenca Neotropical and Omacha foundations, who, together with some members of the community, successfully rescued and released the dolphin into the waters of the Arauca River.

We helped transport professionals, including a veterinarian from the Omacha foundation, a biologist from Corporinoquia, and another from the Cuenca Neotropical foundation, as well as four members of the Arauca fire department and also provided the equipment necessary to rescue this amazing animal.



The Arauca department in Colombia enjoys a rich ecosystem which has allowed the presence of the Amazon River dolphin, also known as pink dolphin or tonina

Circular economy

Our Circular Economy Programme is aligned with the National Circular Economy Strategy promoted by the Colombian government. We aim to overcome the “extract-manufacture-dispose” model, to embrace innovative options that favour instead conservation, reuse and recycling. This approach reduces our impact on natural resources, while generating positive impacts for the community.

Our Waste Management Plan is consistent with the principles of the circular economy

We have identified 51 opportunities to improve our sustainability performance, grouped along four main lines: energy, water, materials and communities. In energy, we have been working to incorporate clean energy sources into our operations while improving processes and implementing controls to reduce emissions. Our initiatives for the protection of water resources focus on the disposal of domestic and industrial water in optimal conditions for the environment.

Prioritised initiatives to reuse, recycle or upgrade:

- Purchase of local agricultural products and composting for the community
- Manufacture of products from the extrusion of plastic waste
- Electrical and electronic waste
- Scrap metal
- Oily muds
- Drilling muds

We also seek to eliminate the use of toxic chemicals and eradicate waste generation through the intelligent design of processes, products and services. In addition, we aim to reduce the impact that the purchase of local goods and services has on the environment by working together with suppliers and neighbouring communities.

Our Model of Circular Economy

DIAGNOSIS

- 1 Carry out a circularity diagnosis in the processes of water, energy, materials and social aspects

OPPORTUNITY MAP

- 2 Identify potential circular economy initiatives in our operations

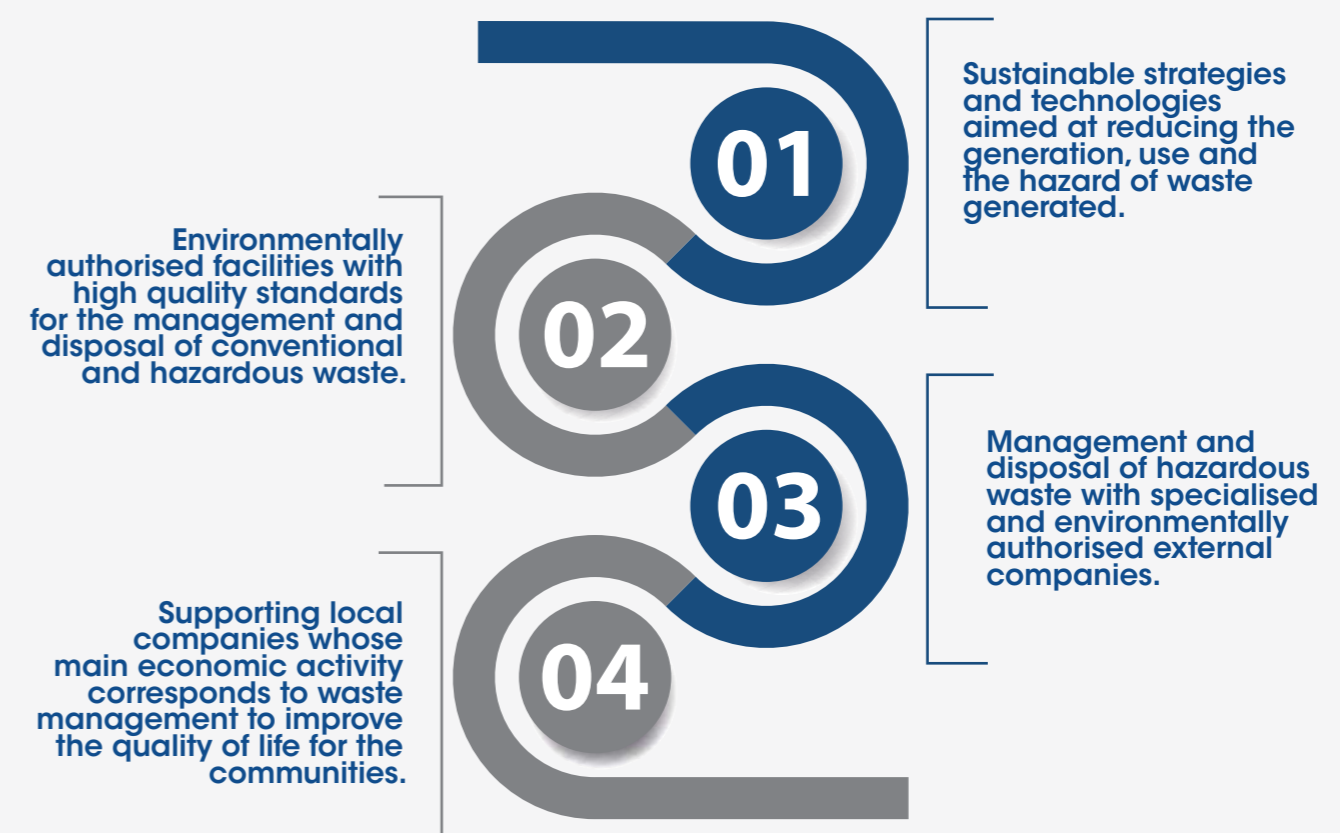
INITIATIVE PRIORITISATION

- 3 Jointly prioritise projects from field visit and co-creation sessions

STRATEGIC RECOMMENDATIONS

- 4 Define guidelines to prepare the Circular Economy Strategy in our company

Our procedures for waste management are in accordance with the appropriate environmental regulations, including the following actions:



Our goals from 2020:

Implement four of the prioritised circular economy alternatives

Work in partnership with the environmental authorities to develop circular public policies related to Y9 (oily waste) treatment and management, reuse and recycling

Waste management

Solid waste generated at our facilities is classified according to regulations as hazardous and non-hazardous. We have defined a procedure for the management of conventional and hazardous waste, including waste from health care and other activities.

In accordance with current regulations, hazardous waste is treated and/or disposed of through authorised third parties.

All transportation of hazardous waste is controlled via registration statement or document, which contains information on the site of origin, date of departure and characteristics of the waste¹³.

Recycled waste from the field facilities is managed by the local supplier in charge of waste collection. At the Bogotá facility waste is taken care of by authorised third parties for recycling and disposal.

Waste per type and disposal method 2020

Tons

Hazardous

Bioremediation
7,810.00

Delivery to third parties
4,045.51

Landfills
26.95

Total
11,882.47

Non-Hazardous

Recycling
11.51

Landfills
149.69

Other
67.79

Total
218.99

Our goal from 2020:

Evaluate the use of drilling cuts for civil works

High-safety landfill in Caño Limón

The Caño Limón field has a landfill authorised for the disposal of operational waste which has been operating for more than 30 years by a specialised contractor.

This high-safety landfill has an area of approximately 3.4 hectares and has a waterproofing system at the bottom of the slopes for leachate collection, to prevent the flow of leachate into the subsoil and the impact on groundwater.



*Caño Limón sanitary landfill

To ensure the proper management of the landfill, we periodically monitor using the following processes:

- Groundwater control, by monitoring five piezometers built around the landfill area
- Gas monitoring
- Control of discharges generated in the stabilisation pond
- Inspection of the landfill by an environmental specialist

In addition, every six months our Company prepares a report on the operation and compliance with established management measures, which is submitted to Corporinoquia.

Cuts and drilling muds

We carry out the treatment, re-use and disposal of cuts¹⁴ and drilling muds through a specialised third-party company. We control and record the quantities delivered as well as the relevant treatment and disposal method.

Treated cuts and drilling muds 2020 (barrels)

6,624

¹³ As required by Decree 1076/2015 and Resolution 1609/2002.

¹⁴ Broken bits of solid material removed from a borehole drilled.

Spills management

Spills prevention requires high operational efficiency and integrity of crude oil transportation. We focus on maintaining a robust Risk Management System to prevent incidents, as well as a timely and efficient emergency response structure.

Our safety protocols

We have ongoing programmes to ensure adequate safety conditions, as well as measures to prevent failures of flow lines in our Northern Llanos operation. In the event of an oil spill, we have a dynamic system in place to address and lessen the social and environmental impacts. Each field has its own Risk Management Plan, which is activated based on the assessment of the emergency, environmental sensitivity analysis and overall damage that could occur.

Once the alert and notification systems are activated, we proceed to identify the incident and the conditions and sensitivity of the incident zone. This defines the actions to be taken and the logistics required to contain the spill or leak. The spills of fluids (water or oil), drilling muds or chemical products that occur in areas of natural soil or bodies of water are reported to the environmental authority through the VITAL portal within 24 hours.

During 2020 there were no significant spills¹⁵



Our goals from 2020:

Update Risk Management Plans for Caño Limón and the Caricare-Caño Limón pipeline

Conduct training for the spills control group with an external specialist in spills in water bodies

¹⁵ For SierraCol Energy significant spills are those events presented due to operational failure affecting natural soil or bodies of water, and that cannot be addressed with the company's own resources.

Socially responsible



This section concerns our commitment to social responsibility, including our key social material issues, our ESG strategic pillars of safe and reliable operations and building constructive relations with all stakeholders.

We include our policies and commitments to human rights, security, community investment and human capital. Promoting human rights is a key priority for us, along with ensuring the health and safety of our workforce, creating excellent working conditions, and maintaining fair practices for our contractors and suppliers.

Our goal is to continually improve the quality of life for our communities and all those in our area of influence.

Human rights

The respect and promotion of human rights is an underpinning theme for all our actions. We are committed to respecting and promoting the right to a safe working environment, the right to not be discriminated against based on race, religion, national origin, sexual orientation, disability or membership of any political, religious or trade union organisation; the right to compensation that meets basic needs; and the prevention of child labour and forced labour.

Our internal activities regarding human rights are guided by the International Labour Organization (ILO) Convention 169 on Fundamental Principles and Rights at Work, the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights.

Within the framework of our developing ESG Strategy, we act responsibly with our stakeholders and our environment, and we conduct comprehensive analysis to identify actions that enhance our respect and promotion for human rights.

We want to be known as a leader on human rights within the industry and have developed partnerships with multiple stakeholders in order to support human rights in our areas of operation.



Commitment to human rights in our unique geography

We strongly believe that our actions can generate significant positive impact, not only in the communities where we operate, but more broadly in society. For this reason, we are an ally of the Colombian government, and are fully supportive of its policies and strategies with a shared goal of bringing peace to the country.

This is especially relevant because of our operations in the department of Arauca, located in the northern region of the Colombian Orinoco region, where conflict-related dynamics are present and post-conflict challenges must be addressed¹⁶.

Human rights policies and partnerships

As expressed in the Code of Business Conduct and in our Human Rights Policy, we respect and promote the rights and freedoms universally recognised in international and Colombian law.

We have implemented several policies and systems including anti-corruption practices, identification and mitigation of adverse human rights impacts in our activities and regular and inclusive engagement with stakeholders. Our Inquiry Response System (SAI) allows us to identify and process requests, complaints or claims related to human rights. We believe that providing training to our employees and contractors on human rights principles and policies is an important aspect of our due diligence.

In order to reflect our commitment to greater transparency and accountability in the sector, we have engaged in the Extractive Industries Transparency Initiative (EITI), an international initiative which promotes transparency and accountability in the extractive sector.

We actively participate in several voluntary initiatives that seek to promote best practices in human rights in the hydrocarbons industry in Colombia. We are members of the Mining and Energy Committee on

Security and Human Rights (CME)¹⁷, a multi-stakeholder group that promotes the implementation of the Voluntary Principles on Security and we participate in the Human Rights Group in the mining and energy sectors, and we participate in the Human Rights Group of the Hydrocarbons Sector, led by the Ministry of Mines and Energy, the National Hydrocarbons Agency (ANH) and the Presidential Counsellor for Human Rights and International Affairs.

“SierraCol Energy is a major partner to help us develop a strategic vision for the betterment of the operating environments of the mining and energy sectors in Colombia, and to improve companies’ and the government’s performance in security and human rights.” Luz Stella Páez, Executive Director of CME.

¹⁶ Post-conflict is the process designed to achieve lasting peace and the transformation of the territories that were most affected by the armed conflict in Colombia. On 24 November 2016, the government of Colombia, headed by the then President of the Republic, Juan Manuel Santos, signed a Peace Agreement with the guerrilla, the Revolutionary Armed Forces of Colombia (FARC).

¹⁷ <https://cmecolombia.co>

Engaging with public and private stakeholders

We have developed strong alliances with public institutions in charge of maintaining the rule of law in the areas in which we operate and have entered into collaboration agreements to strengthen capacities in institutions promoting justice and combating terrorism and crime. Our agreements with these institutions include specific provisions regarding national and international human rights principles.

Within the framework of our collaboration agreements with the Colombian Public Forces, we support their human rights training process, and we monitor the training of the private security provider, conforming with international standards and industry best practices. We also work collaboratively with the authorities to implement security and human rights risk analysis in our areas of operation, applying the recommendations of the CME¹⁷ and other international standards such as the Voluntary Principles on Security and Human Rights and IFC Performance Standards.

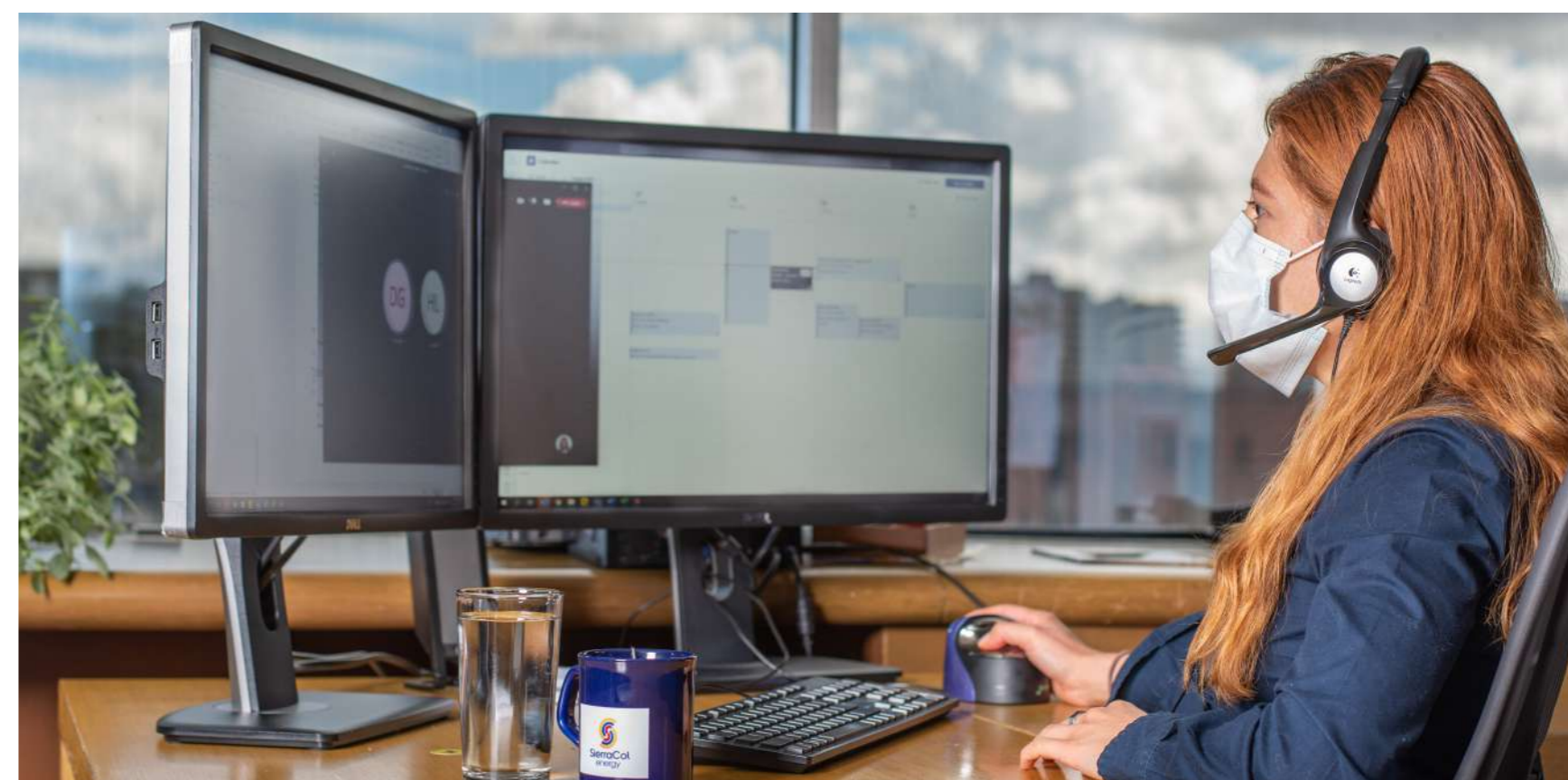
We also partner with public entities to create shared value for the Company and our key stakeholders. Within this approach, we support the Development Programmes with Territorial Approach (PDET¹⁸) in order to promote economic development in Arauca. Indeed, we have partnered with the Presidential Counsellor for Stabilisation and Consolidation Office, in charge of the implementation of the national government's "Paz con Legalidad" policy; and the Territory Renewal Agency, responsible for the implementation of PDET in Arauca. We have been working in partnership with these agencies to set development priorities for the municipalities where we operate, aligning our community investment programmes with them, as well as our initiatives for sustainable development.

Human rights due diligence: our suppliers and contractors

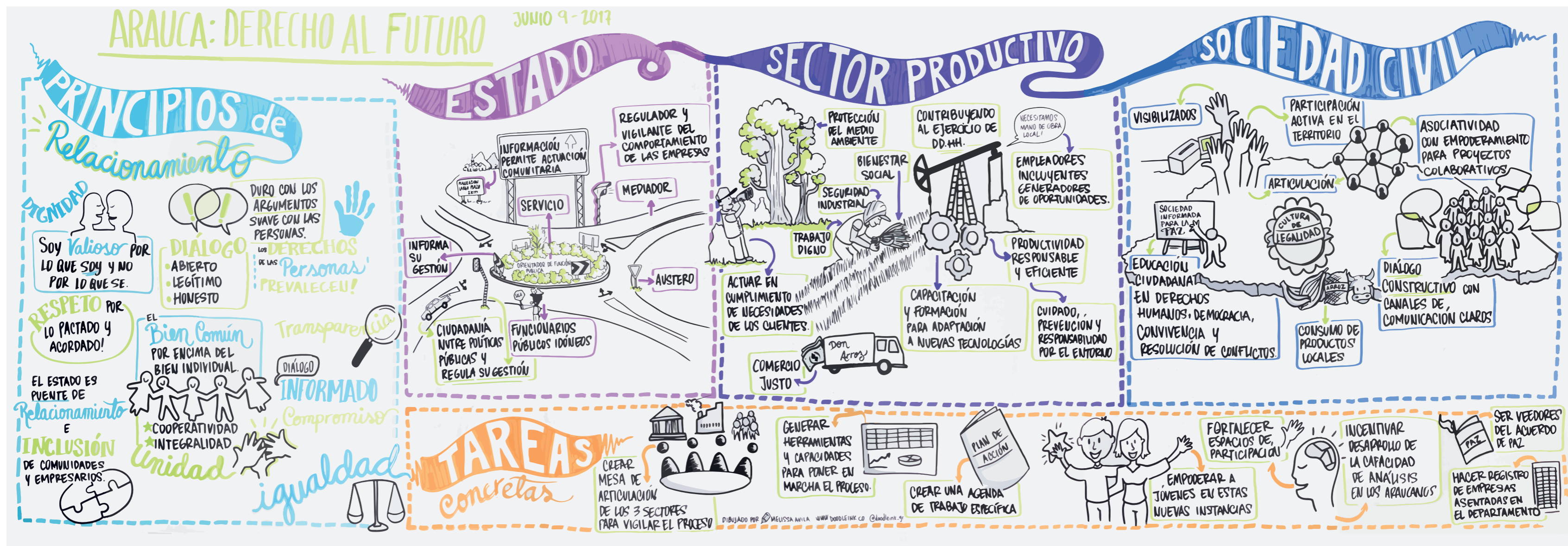
The United Nations Guiding Principles on Business and Human Rights guide us to prevent and mitigate risks and potential negative human rights impacts arising from our operations, and along our value chain. In 2020 we did not perform a human rights impact assessment, but consistently evaluated human rights risks throughout our operations. 100% of our operations were subject to human rights review.

As part of our due diligence we permanently monitor and annually audit our contractors' behaviour, to ensure our supply chain adequately and responsibly manages security and human rights risks, complying with the stringent policies and clauses included in our commercial agreements. This monitoring process prioritises especially, the local contractors that are more exposed to the risks of kidnapping and extortion by illegal armed groups. In 2020, follow-up security and human rights audits were conducted to 31 contractors. Our own private security provider is subject to detailed and permanent supervision to ensure contractual compliance as well as best practice approaches in security and human rights.

Due diligence is an integral part of our decision-making and risk management



¹⁸ As part of point 1 of the Peace Agreement with the guerrilla (Comprehensive Rural Reform), the Development Programmes with Territorial Approach (PDET as per the Spanish acronym) were proposed as an instrument for the planning and management of the municipalities most affected by violence, poverty, illicit economies and institutional weakness, in order to achieve the transformation and rural development of these municipalities. Of the seven municipalities in the department of Arauca, four were prioritised within the PDET framework (Araucita, Tame, Fortul and Saravena).



* Infographic made in a multistakeholder dialogue workshop -Initiative "Arauca Right to the Future"

"Arauca: Right to the Future"

In collaboration with the Presidential Counsellor for Human Rights and International Affairs office, we promoted the dissemination of the National Action Plan on Human Rights and Business 2020-2022 at the regional level through the "Arauca: Right to the Future" initiative.

Through this initiative, we promote a multi-stakeholder dialogue in the territory and the implementation of specific actions aimed at strengthening the capacities of the different parties involved (institutions, civil society and business sector). We aim to advocate for an atmosphere of respect for human rights and a more ethical and responsible business sector in Arauca.

In 2020, we held three remote workshops on human rights and business practices with members of civil society, public institutions and the business sector. Representatives of the Presidential Counsellor for Human Rights and International Affairs Office, the National Attorney for the Defence of Human Rights and the Ministry of Commerce, Industry and Tourism also attended these workshops.

The respect and promotion of human rights is an underpinning theme for all our actions

Our goal from 2020:

We will review of our human rights policy, and conduct a human rights risk and impact assessment, aligned with the United Nations Guiding Principles on Business and Human Rights

Security

The department of Arauca has historically been a challenging area from the physical security perspective. Since the 1960s radical guerrilla groups have been present in the region. Despite government efforts to bring legitimate institutions to the area, to fight these illegal groups and to make this province more attractive for companies and industry, the situation remains complex.

Our Security Strategy

We put in place a robust Security Strategy to protect our people and assets. Risk assessment, planning and execution is carried out by a specialist experienced team of experts. The basic components of our strategy are:

- Public security
- Information analysis
- Private security
- Electronic security

Regarding public security, we know the importance of strengthening the capacities of the legitimate institutions in Colombia. Consequently, like many of our peers, and in line with applicable legal and regulatory framework, we have entered into Collaboration Agreements with the Colombian Public Forces to provide in-kind support. In-kind support for public security includes acquisition and maintenance of transportation equipment, acquisition and maintenance of office equipment, maintenance of facilities, food and air travel tickets, among others and training of military and police personnel in human rights. The associated costs are shared with our partner Ecopetrol, in accordance with the terms of the applicable area agreements.

We maintain permanent contact with military and civil authorities to assess risks and work collaboratively to avoid potential harm



to our workforce, operations and the civil society in general, aligned with the Voluntary Principles on Security and Human Rights and IFC performance standards.

As part of our comprehensive security strategy, we have private security contractors. Security personnel man 34 field surveillance posts. Guards do not carry weapons and undertake training in human rights every year.

The Northern Llanos operation is also secured through a sophisticated electronic security network, including closed-circuit television systems, motion sensors and x-ray scanners, connected to a Command Centre. In addition, we host an information analysis system to carry out expert assessments of security risks using open-source, publicly available material.

We know the importance of strengthening the capacities of the legitimate institutions in Colombia

Resilient Security Strategy

The most significant security incident in 2020 occurred on 24 July when the Cosecha-C facilities were attacked by unknown armed individuals. The event did not affect any personnel. A thorough investigation was conducted, and several improvements were introduced to our Security System in order to prevent events of this nature in the future.

Despite the difficulties of the environment in which we operate, our Security System and the interaction with authorities has allowed us to work in a successful and secure way throughout many decades.

Our goal from 2020:

Strengthen our Security Strategy as per the results of an internal analysis validated with external experts

Our Corporate Social Responsibility Strategy

Our Corporate Social Responsibility (CSR) approach is focused on supporting social progress in the territories where we operate and building mutual support and respect to achieve positive lifestyles and wellbeing. We are focused on building relationships of trust within our communities, working with community representatives to improve quality of life and promoting sustainable development. We have developed a detailed CSR model with four pillars:

Pillar 1 - Community Investment:

This is the cornerstone of our Corporate Social Responsibility Strategy, in which we commit to creating value for the regions where we operate. We are also committed to achieving the Sustainable Development Goals, as defined in our integrated policy (HES-RM-SR).

Pillar 2 - Stakeholders Engagement:

Our purpose is to strengthen the relationship with communities and local authorities. This pillar is based on creating bonds of trust that allow mutual, sustained, and permanent cooperation which contribute to the visibility of SierraCol Energy as an active participant in local development.

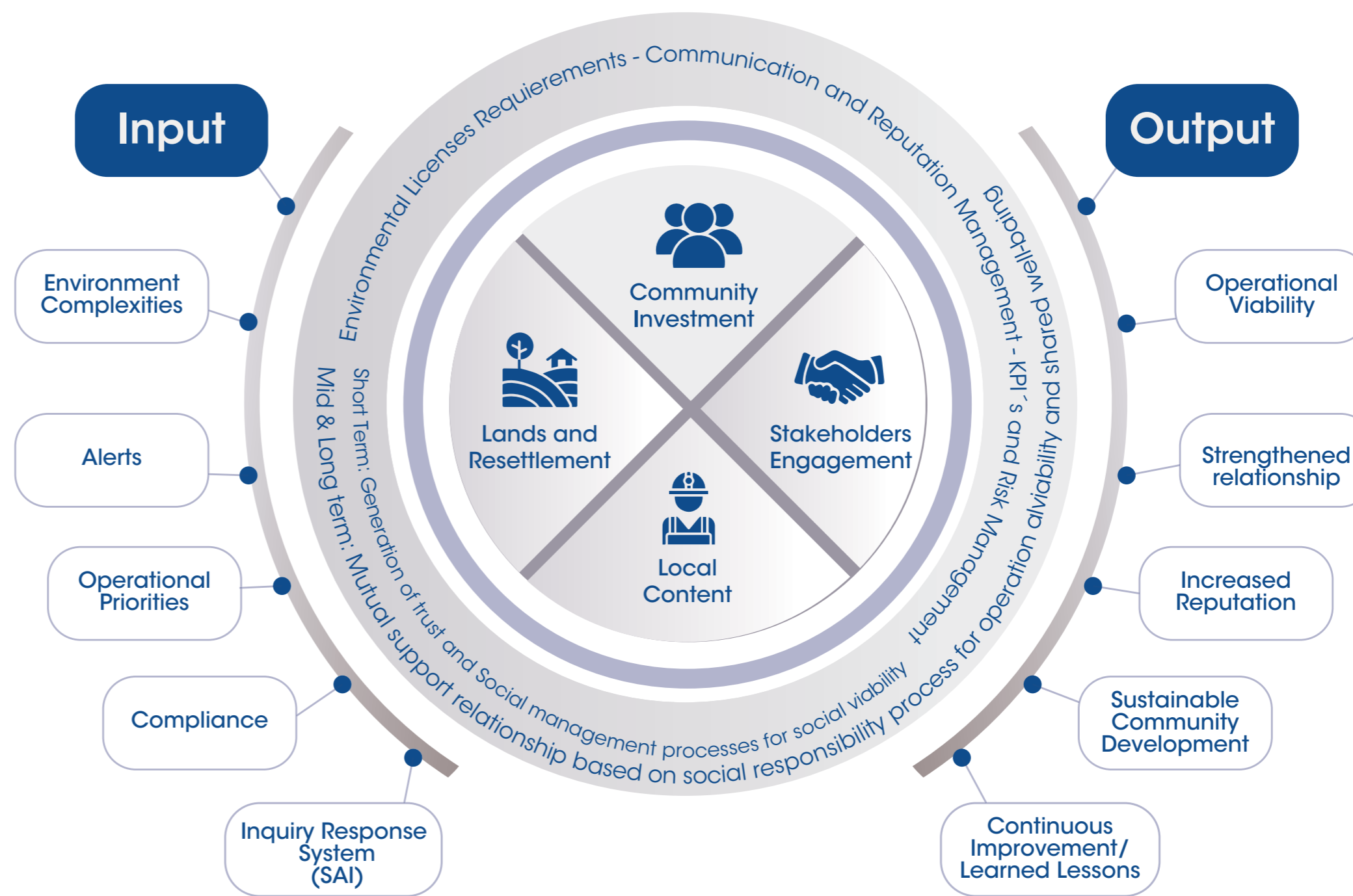
Pillar 3 - Land and Resettlement:

Our purpose is to adequately manage the processes of land acquisition, easements, resettlement and land occupants with the objective that we can operate responsibly and respectfully.

Pillar 4 - Promote Local Content:

We aim to contribute to local economic development through the purchase and contracting of local goods and services. We also promote the shared responsibility between our contractors and SierraCol Energy to properly manage the community environment and contribute to the economic development of the regions where we operate.

SierraCol Energy CSR Strategy



Community investment

The Community Investment Process involves dialogue with our communities, as well as relations with public institutions in order to promote strategic alliances and maximise benefits. We permanently monitor the social effects and impacts through community coordination and with our field social team. We have based our Community Investment Strategy pillar on the following five lines of action:

1. Social and human development

We develop programmes and activities for the benefit of communities and local culture, including the promotion of public health and preventative initiatives, paramedics, and training in technical skills and literacy, among others.

2. Family, community, and productive infrastructure

We support the creation and enhancement of family infrastructure across a broad spectrum of areas. These include: building and improving housing, kitchens and toilets; caring for the wellbeing of families; supporting medical centres and health services, strengthening community life through recreation, sports and cultural activities; establishing business enterprise centres and health centres; and constructing and improving productive infrastructure.

3. Economic diversification

We reinforce Colombia's diverse economic opportunities. In this way, we support projects to enhance local production, promote access to new and existing markets, stimulate entrepreneurship and strengthen the capabilities of local suppliers.

4. Financial inclusion

Through this form of investment, we facilitate entrepreneurs' access to financial products, services and education, providing credit to businesses and improving their understanding of local markets and needs. The objective is to generate an entrepreneurial environment, promoting new opportunities for economic development and job creation.

5. Environmental sustainability

Through these investment initiatives, we contribute to environmental sustainability in the territories where we operate.

The community investment process

This process involves dialogue and agreement with the communities who interact with us, communication actions, as well as relations with public institutions in order to promote strategic alliances to maximise benefits.

In 2020, we promoted solidarity programmes to mitigate the effects of the health, social and economic crisis arising from the COVID-19 pandemic and executed high-impact projects. Community investment during 2020 was USD\$2.7 million¹⁹ which benefited a total of 27,994 people.

We permanently monitor the social effects and impacts of our community investment process

Community Investment Process of SierraCol Energy



El Alcaraván foundation: leadership and experience

The El Alcaraván Foundation is responsible for executing our community investment programmes in the department of Arauca. It was created more than 30 years ago and is widely recognised for its leadership in Arauca and in the energy industry in Colombia. Supported by the Foundation's management capacity and the professionalism of its team, we will continue to promote development in the area.



¹⁹ This figure corresponds to the gross community investment executed in Northern Llanos area by the El Alcaraván Foundation during 2020.

Success stories of our community investment in 2020



Solidarity Plan

In 2020, solidarity and empathy were the cornerstone of all our actions. From the onset of the health, economic and social crisis caused by the COVID-19 pandemic, we recognised that only together we could face such an unexpected and uncertain reality.

We implemented the Solidarity Plan in the department of Arauca with our partner Ecopetrol. Through the El Alcaraván Foundation and with the support of national, departmental and municipal authorities, we channelled our efforts into preventing contagion,

providing food assistance and strengthening the department's Health System.

More than 40 volunteers, including employees of the El Alcaraván Foundation and SierraCol Energy, members of the Civil Defence and contractors responded to the call from #SerSolidariosNosUne and contributed to the delivery of 5,000 baskets of groceries to the most vulnerable families located in remote areas of the department. Volunteers travelled more than 800 km by land and 60 km

by river to deliver more than 122 tons of food and basic staples.

Civil Defence volunteer Helena Rey said she was proud to be able to support families in real need through the Solidarity Plan. Eduardo Arias, one of the beneficiaries, said: "For me, showing solidarity is a virtue, it is being able to reach that person and satisfy his or her needs. For us, at this moment it is a great satisfaction to receive this help, which is very welcome and necessary. I am grateful to these good neighbours we have".

Strengthening Arauca's Health System

In order to ease the burden of the larger hospitals, the Community Health Centre in the Todos Los Santos settlement was remodelled by SierraCol Energy and basic first-level medical services were provided to the health centres in the villages of La Pesquera and Nubes. More than 3,300 people were treated during 2020.

Our Company also provided more than 13,000 personal protection equipment to prevent contagion and ten community water filters for medical centres and other rural institutions. These filters meet the requirements of the World Health Organization (WHO) and are high-tech instant microbiological water purifiers that process an average of 12 litres of liquid per hour, even when the source water is highly turbid. In addition, they do not require batteries, electricity, or connection to aqueduct networks.

As for the San Vicente Hospital in the city of Arauca, the Company donated specialised, state-of-the-art equipment for COVID-19 diagnostics, 15 mechanical ventilators, 19 vital signs monitors and three hospital beds to expand the capacity of the Intermediate Respiratory Care Unit. The donation included the calibration, installation, and training of medical personnel in the operation of the equipment.

The Arauca Public Health Border Laboratory also received specialised equipment to speed up the process of extracting nucleic acids, such as DNA and RNA, present in viral micro-organisms such as Coronavirus, thus speeding up the analysis time in the processing of PCR tests for this disease and providing greater reliability in the process.



Solidarity Fund: committed employees and contractors

Under the Solidarity Fund initiative, around 240 employees of the Company, the El Alcaraván Foundation, and suppliers donated more than USD\$62,280 to support eleven social causes in communities in Arauca and the El Centro settlement, located in the municipality of Barrancabermeja, Santander.

The first phase of Solidarity Fund began with the delivery of 491 grocery baskets, benefiting 49 elderly members of the Caño de Jesús Recyclers Association in the city of Arauca and 442 businesswomen, whose income ceased due to mandatory confinement in Tame, Puerto Rondón, Saravena, Arauquita, and Cravo Norte, in the department of Arauca.

In the El Centro settlement, the beneficiaries of this initiative included casual workers, children from the most vulnerable families, a youth association that promotes family vegetable gardens to contribute to food security, and businesswomen who have developed a nursery through the Sembremos Juntos Association.

Connectivity with Purpose

Promoting quality education and generating other long-term sustainable development benefits in the territories where we operate is one of the pillars of our community investment. During 2020, through the El Alcaraván Foundation and thanks to the alliance with Ecopetrol, Microsoft and Anditel, and the support of national and local authorities, we built the infrastructure necessary for an internet connection for 19 rural schools in the municipality of Arauquita.

The project, "Connectivity with Purpose", is conducted within the framework of the PDET and the Municipal Development Plan.

"We are fulfilling a dream with the internet connection of the schools in our municipality. We have been waiting for it for a long time. Achieving this is essential for the development of our pedagogical work and to guide academic activities in a more effective way," said Eitel Enrique Valencia, teacher of the María Cano School, in the Nueva Jerusalén village.

The investment made through the "Connectivity with Purpose" project during 2020 exceeded USD\$379,095. The 19 Wi-Fi points cover 400 meters around the schools so that 19 villages will benefit in this first stage.

In 2021, we will continue this initiative and connect five additional schools, as well as delivering laptops and smart TVs to these institutions.

"Connectivity with Purpose" has a significant positive impact on the wider community. As well as strengthening the educational progress of children and adolescents from rural areas of Arauquita, internet access promotes population wellbeing and regional development.

"Not only my son, but the entire community benefits because connectivity prevents us from having to travel to the urban area of Arauquita to

access internet. We have more time to spend with our family and more educational opportunities for our children and our businesses," explained Deimis Beleño, a resident of the village of San José de La Pesquera.

Around three thousand people have been benefited from this project, contributing to reducing the social and technological IT gap and strengthening of the

quality of rural education. For Milton Julián Mosquera, a student at the María Cano School, "the internet transforms my life and that of my classmates."

In addition to connectivity, training will be provided to teachers and students in information technologies. This will increase knowledge and improve the quality of learning in educational centres on a daily basis.

Around three thousand people have been benefited from this project





Financial Inclusion

The El Alcaraván Foundation currently has an active portfolio of USD\$3.25 million to offer microcredits, which are complemented with financial education programs. 3,800 clients have benefited from this programme.

During the COVID-19 pandemic we took measures to protect microentrepreneurs so that they could sustain their businesses despite the mandatory closures. Portfolio loans were assessed on a case-by-case basis in order to grant grace periods with no principal or interest charges, initially for 120 days and later extended in accordance with the Finance Superintendent Office's authorisations.

"The support that the company has given us is excellent. They took into account our situation, adjusting payments and form of financing according to the needs we had because of the pandemic," said Carmen Eneida Quenza, owner of a poultry farm.

Since April 2020, 1,801 microentrepreneurs made use of these grace periods. They also had the possibility of restructuring their obligations by adjusting the terms and amortisation rate. Those who kept their businesses in operation were given the opportunity to renew loans at lower rates.

As a support measure for those who had to close their businesses, we created an emergency facility with a 0% interest rate to grant loans of USD\$135 per microentrepreneur, including grace periods.

At SierraCol Energy and the El Alcaraván Foundation we decided to keep our offices open and to advise microentrepreneurs experiencing difficulties. Thanks to these measures, and to the gradual reactivation that took place in the second half of 2020, only 374 credit users were making use of the grace periods as of December 31.

Our goals from 2020:

Survey demand for work training for women, and education for children as a step to implementing our new Regional Centres of Hope and Opportunities (CREO) Programme²⁰

Improve the evaluation of our social investment programmes by exploring appropriate impact indicators

Continue financing the "Connectivity with Purpose" project, offering internet connectivity to the five additional schools in the rural area of Arauquita

Finalise the process of alignment of SierraCol Energy with international standards in social responsibility, specifically ISO 26000 and IFC community standards and establish an action plan to close the gaps identified

Promote the safe economic reactivation and recovery of microentrepreneurs through established post-pandemic measures. We will continue the support we were proud to provide in 2020 and aim to create a reactivation facility with a preferential credit rate and a grace period up to three months

²⁰ The Regional Centres of Hope and Opportunities (CREO) will be spaces suitable to organize community meetings; there, social organization, community development, and peacebuilding efforts can flourish. As well, communities will be able to: (i) access information on our operations in a practical and enjoyable manner; (ii) acquire new skills and knowledge on various trades, allowing them to enter into the labor market or to develop their own business ideas; (iii) strengthen community ties through recreational, cultural, and other activities such as caring for the environment.

The value of our human talent

People are our most valuable asset. We are committed to developing a competitive, diverse and successful workforce. At SierraCol Energy everyone has the same opportunities to learn, grow and succeed.

Our main goal is to strengthen our employees' sense of commitment and belonging to the Company, based on corporate values. We have a holistic vision and want our employees to find a work environment that stimulates them and encourages them to stay and prosper as SierraCol Energy grows.

2020, management of change

During 2020, we faced two significant challenges impacting the management of our human talent. Firstly, we were required to rapidly adapt to the new reality of working remotely due to the COVID-19 pandemic. Secondly, we managed the successful transition from Occidental Petroleum Corporation to SierraCol Energy in Colombia, a process that will be consolidated during 2021.

In March 2020, we implemented remote working to protect employees from the COVID-19 contagion, so they could work in a manageable and effective manner, while providing stability for them and their families. We established virtual channels and communications tools that enabled us to maintain close ties among all. We implemented strict biosafety protocols in Bogotá and in our areas of operations.

All employees had accurate and timely information regarding the Company transition process. The "Colombia Preguntas" website included a video by our senior management

team, where employees received answers to their concerns. Our Human Resources department managed the question-and-answer mailbox; all of our employees had access to the answers given by Company Directors and we also implemented "Virtual Cafés" to address queries.

Through our Management of Change programme, we initiated a personalised management workshop, with participants identifying how they were feeling about the situation. Depending on circumstances, future-oriented coaching was provided. Personnel uncertainties were identified and managed quickly and effectively through the "Hallway Conversations" virtual activity.

Thanks to all the measures designed to manage change, we achieved excellent results both during the transition process and in the adaptation to remote work. We emerged empowered to continue working as a team and achieve success for and with the Company.

**In 2020
personnel
turnover was
2.7%**



Talent Management Strategy

The management of human talent requires strong governance. The Board of Directors has defined our suite of guidelines, which are charted in our Code of Business Conduct and through multiple corporate policies, outlined below:

- The Personnel Selection Policy contains the procedures and principles necessary for the selection of the best human talent.
- The Diversity and Inclusion Policy establishes guidelines that promote a work environment of non-discrimination, inclusion and respect for diversity, labour equity and opportunities. This is in line with our strong desire to lead on human rights, as outlined above.
- The Equal Opportunity Policy establishes guidelines, measurements and actions necessary to achieve equality in treatment and access to employment opportunities. This policy seeks to promote and facilitate a culture of labour equality for both external candidates who apply for vacancies and Company employees. These policies and guidelines apply to multiple employment processes, including access to employment, promotion, job titles, training, salary compensation, work/life balance and other working conditions.
- We have established several channels to receive concerns and complaints from our employees, including the Integrity hotline and the Coexistence Committee.
- The Success Factors platform is our tool to keep employees informed and closely linked to the work, plans and supportive services of our Human Resources department.

To strengthen the commitment of our human talent, we have developed a Talent Management Strategy with five key pillars, underpinning a series of integrated activities to strengthen communications and ties with employees, and to make our employer value proposition increasingly attractive.

Greater employee engagement

Career and development opportunities
Everyone has the opportunity to grow to become a top-level employer and thus retain the best talent.

Total compensation
We offer a fair and equitable compensation.

Well-being
We take care of the physical and mental well-being of our employees.

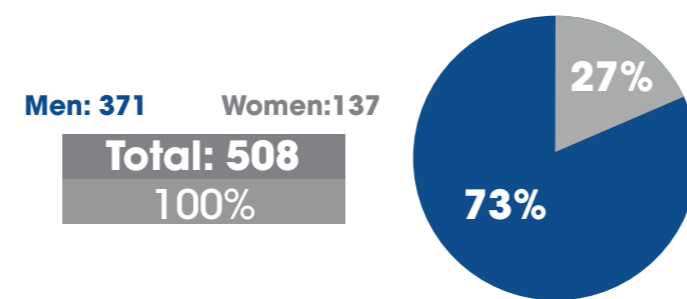
Culture
We live and act according to our values, with the understanding that our leaders shape culture by example.

Work environment
We trust a healthy work environment as a catalyst for productivity and sustainability.

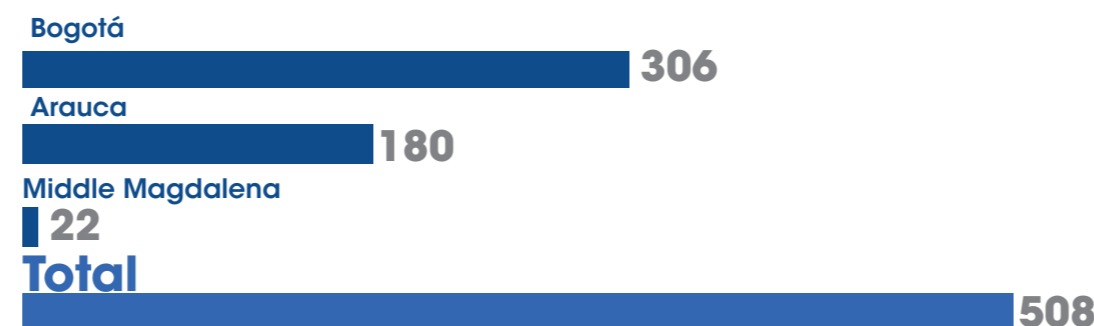
Productive and satisfied employees

As of December 31, 2020, we had 508 employees, 100% with full time contracts.

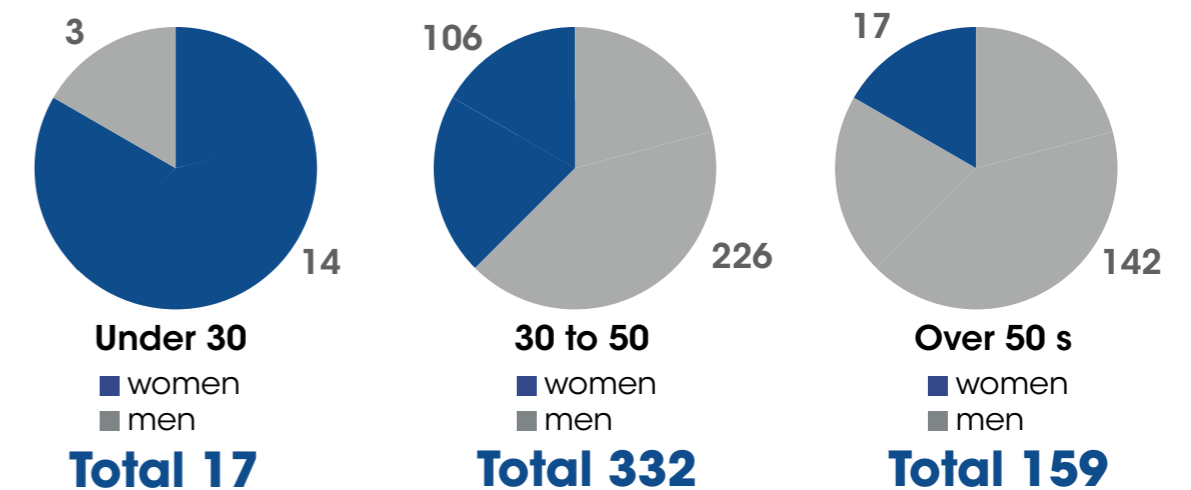
Number of employees by gender



Number of employees by region



Number of employees by age



In 2020 our employee turnover was 2.7%. We had 39 people leave the Company: 17 reached the retirement age, 14 resigned, 7 left by mutual agreement and 1 left due to agreement expiration.

All of our new hires are between 30 and 50 years old.

Hiring in 2020



Salaries and benefits

Employee salaries are determined by market studies conducted by an external consultant, to ensure they are competitive. We offer a wide range of benefits including supplemental medical and dental insurance, educational allowance for children and a savings plan. All payroll employees have access to interest-free loans for investment, housing and education; we also offer gym membership and eyeglasses allowances.

Workload is important to us and we work with an external consultant to assess ongoing employee workload considerations. We frequently share employee newsletters with information relating to changes in regulations for labour and occupational health and safety issues, among others. The salaries and benefits of employees on the daily payroll are managed through collective bargaining processes carried out by the Company with the Unión Sindical Obrera (USO) - Arauca Sub-Direction.



Total salaries and benefits 2020

Million USD

Salaries

25.9

Benefits

14.0

Social Security

5.4

Total

45.3

Remuneration

The annual performance bonus we offer takes overall results into consideration, as well as the performance of individual employees. The indicators are defined by our Board of Directors with our President and CEO, and are assessed against key criteria for Industrial Safety, operational and financial results and compliance with ESG performance metrics.

During 2020, 84.6% of employees on the monthly payroll received a performance assessment. This process appraises the fulfilment of employee objectives, the responsibilities of their position and how well they fulfil them. The review analyses the level of application of their technical and soft skills and how they incorporate corporate values in the performance of their projects, daily work and in their relationship with their co-workers.

Training and coaching

Comprehensive training is offered to all our employees, under our Exponential Development programme. It is divided into three segments according to career stage.

During 2020, a total of 2,268 hours of training were provided; 576 hours were allocated to training in soft skills and 1,692 hours in technical skills.

Labour relations

As expressed in our Human Rights Policy and Union Relations Policy, all employees, contractors and providers are committed to respecting the right to freedom of association and collective bargaining.

We comply with the Labour Standards of the International Labour Organization (ILO), fostering relationships of respect and trust between the Company, its workforce and their organisations. At the same time, through social dialogue we encourage their commitment to contribute to the Company's productivity.

In SierraCol Energy Arauca, LLC a group of direct and daily payroll employees²¹ are union members and are beneficiaries of the latest Collective Bargaining Agreement implemented by the Company²².

In compliance with the law and the Collective Bargaining Agreement, we have a disciplinary grievance procedure and a Grievance Committee. The Committee is comprised of two union members and two employees representing the Company. In addition, we hold regular meetings with the union to discuss various issues and ensure ongoing dialogue.

To ensure compliance with the provisions of the Collective Bargaining Agreement, together with current regulations in our value chain, as well as guaranteeing workers' rights, our external labour audit team periodically reviews the status and compliance with labour conditions, and the obligations of contractors and subcontractors. This team writes and files findings reports, which are discussed with the audited companies.

²¹ Employees are classified in two categories according to their activities, "daily payroll" and "monthly payroll"; "daily payroll" employees mostly reside in the area of operations (Department of Arauca) and commute every day from their homes to the field in order to carry out their work.

²² Effective from 2018 to 2022



Local employment management

We hire both skilled (MOC) and unskilled (MONC) workers in accordance with Colombian regulations requiring that 100% of MONC and at least 30% of MOC be from the region where operations are performed.

During 2020, 100% of the positions, 138 in total, requiring MONC in the Northern Llanos operation were filled by personnel from that region. In turn, 76.7% of the 1,397 MOC positions were filled from the regional workforce and 23.3% from the workforce from other parts of Colombia.

Our goals from 2020:

Implement two new employee recognition awards, the "On the Spot Award" and "The Employment Service Recognition Award"

On the Spot recognises relevant contributions to the business results aligned with the company's core values

The Employment Service Recognition Award recognises loyalty to SierraCol Energy and celebrates the development and longevity of our people

Create an incentive scheme to encourage employees to demonstrate Company values

Offer 19 courses in soft skills with around 400 employees trained, including leadership workshops

Offer 11 technical courses with around 90 petro-technical employees trained

Offer four workshops to employees on diversity and inclusion, to strengthen cross-company awareness

Worker health and safety

Protecting the health and safety of our workforce is our highest priority. It is a responsibility that involves the entire company and is closely linked to the environment, communities and everyone connected with our operations.

Our Health, Environment, Safety, Risk Management and Social Responsibility Policy

Our corporate commitment to health and safety is clear in our Health, Environment and Safety (HES), Risk Management (RM) and Social Responsibility (SR) Policy (HES-RM-SR). In addition, we have a comprehensive Risk Management System aimed at protecting our people and assets. We will also suspend activities that may endanger human health, the environment or the safety of the process.

We continuously implement communication and training plans and develop tools for our workforce to deepen their knowledge of health and safety risks, absorb the lessons learned, and react quickly in the event of an incident.

Our corporate policy in HES-SR extends to our supply chain. We require contractors to fully comply with current regulations and standards, and to refer to manuals and guidelines that seek to ensure the health and safety of our workforce. Furthermore, we ensure that contractors develop plans aligned with these standards and that they provide their personnel with the knowledge and training necessary to carry out their work safely. Our providers and contractors are committed to reporting any event that goes against the policy and to participate in the investigation of possible cases of non-compliance.



HESMS

Through the Health, Environment, Safety, Process Risks and Social Responsibility Management System (HESMS) we effectively manage risks and drive continuous performance improvement in all areas of the operation. The President and CEO of the Company is ultimately accountable for corporate leadership in HESMS and ensuring strict compliance of applicable rules and standards, together with the management team. The HES Manager, the Vice President of Sustainability and the Vice Presidents of Operations are

responsible for the implementation of the system, its dissemination and adoption by every employee.

This HESMS consolidates more than 115 topics, 25 programs, 30 guides and more than 600 operating and maintenance procedures; in total more than 2,000 documents, which are constantly reviewed and adapted to the new operational realities of the Company and the Colombian law new requirements.

HESMS

Health, Environment, Safety, Risk and Social Responsibility Management System



Protecting the health and safety of our workforce is our highest priority

Upgrading our Operational Management System

We are working on the migration of HESMS to the Integrated Operational Management System IOMS (SIGO as per the Spanish acronym), which takes international specifications and the requirements of OHSAS18001, ISO14001 and ISO 26000 standards considerations as they relate to occupational health and safety, as well as environmental management and social responsibility. SIGO aims to manage a wide range of impacts, risks, threats and opportunities related to ESG management,

by ensuring consistency between policies and guidelines with stakeholder expectations and the performance of our employees.

By 2021 we expect to perform a thorough gap analysis and define a roadmap to implement our new Integrated Operational Management System. SIGO will follow IPIECA's International Association of Oil and Gas Producers (IOGP) 510 Report guidelines, integrating the following elements:



Adapted from IPIECA - IOGP, 2010

100% of direct employees and contractor workers are covered by the various elements of the HESMS.

Safety regulation and standards

We strictly comply with the national standards that regulate the health and safety of our workforce, as well as international standards and best practices in the oil and gas industry.

Applicable Colombian health and safety regulations and standards:

Ministry of Labour

Decree 1072/2015, Single Regulatory Decree of the labour sector

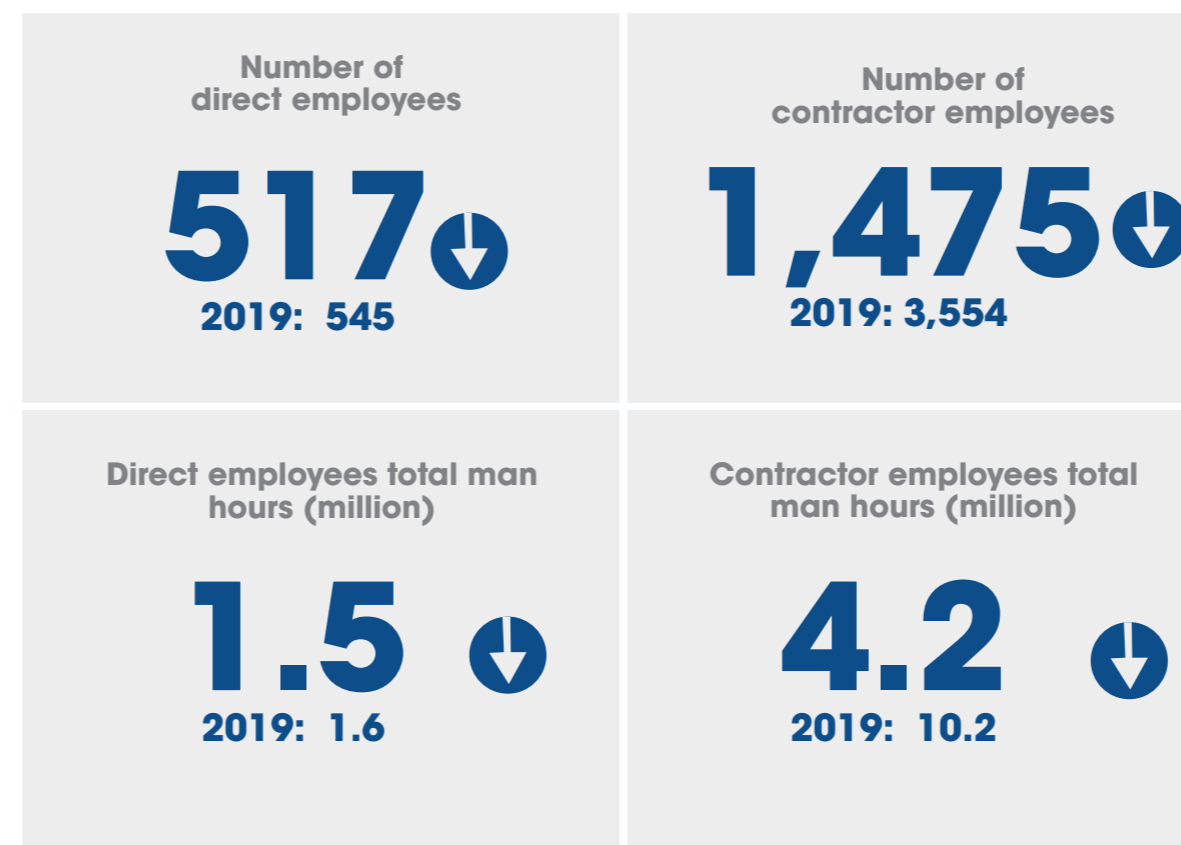
Resolution 312/2019, Minimum Standards of the Occupational Health and Safety Management System OHSMS

Guide for Risk Control

Icontec

GTC 45, 2012 version, Guide for the Diagnosis of Working Conditions and Risk Factors

Number of workers covered by HESMS and hours worked*



*Total employees as at December 31 2020 was 508. The average total number of employees covered by HESMS for the entire year is 517.

*The above figures were gathered from information reported by contractors in the first two days of each month, through our Web platform created for this purpose. This includes the hours worked in the previous month, safety incidents and cases of occupational illness, if any. The HES department consolidates this information to generate the statistics required by SierraCol Energy, who report the data to relevant parties.

Risk Identification and Prevention System

Our Hazards Identification, Risk Assessment and Control Matrix is used to gather information to help analyse work conditions, process activities and control measures in a dynamic and systematic manner.

All our contractors must have an occupational health and safety management system in place. A document outlining the system must be sent to each contractor's workers' compensation insurance company, who assesses, verifies it, and monitors and controls its implementation. Additionally, the Colombian Safety Council applies the Single Registry of Contractors (RUC) to evaluate their health and safety management systems in compliance with Decree 1072. A minimum qualification score is required to meet HES risk prevention standards, congruent with the nature of the services provided.

Each year, an external consultant carries out inspection visits to update our risk matrix. Facility tours and interviews with employees enable us to identify the hazards and safety risks that may arise, as well as those that could cause occupational illnesses.

Based on the Colombian Technical Guide (GTC) 45/2012, we classified and prioritised the risk factors that can generate non-traumatic or long-term traumatic illnesses. This includes physical, chemical, musculoskeletal or biological risk factors, as well as occupational-psychological risks. We also consider mechanical, electrical and locational risk factors to be essential in assessing safety conditions.



On-site risk analysis and Stop Work Authority

Workers conduct a daily overview of hazards and risks (Safety Work Analysis), which is supervised by internal and external experts.

In addition, we have a Stop Work Authority programme that allows workers to suspend activities that could compromise their safety. This program prevents reprisals against those who make the decision to stop activities.

Incidents reporting and investigation

Our Incident Reporting and Investigation Standard and the national regulation classify different types of incidents, rates their severity, and determines the deadlines required for notification and investigation. An expert team conducts the investigation to determine the root causes and to propose preventive, corrective or improvement actions to avoid recurrence. Our contractors are also required to conduct their own investigation of involving their employees.

Management commitment

On a monthly basis, our senior management team reviews the Company's health, safety and environmental performance. At this meeting, a summary of the most significant events is presented, as well as the results of any investigations that may have been conducted. Every six months, the HES Committee, led by our President and CEO, invites contractor company leaders, to analyse incidents and occupational illness rates and to review the implementation results of their safety performance improvement strategies.

Health and safety training

All our direct employees and contractors are required to complete a task and location-specific training programme. Direct employees have ongoing access to our Learning Management System (LMS) platform. During 2020, due to the COVID-19 pandemic, virtual training modules successfully replaced some of the physical courses previously conducted by our HES department.

The HES performance of our personnel is linked to the employees' compensation plan. Moreover, any outstanding performance of our contractors in this area earns them recognition and awards.

**Zero fatalities
resulting from work-
related injuries
and illnesses in
Northern Llanos,
Middle Magdalena
operations and
Bogotá offices**



Active participation of our workforce

In accordance with the law, we created a Joint Occupational Health and Safety Committee (JOHSC) with equal management and worker's representation and voting rights. The JOHSC operates both in the Bogotá offices and in the field. It holds monthly meetings where health and safety issues and solutions are discussed and recorded in minutes, which are communicated to all company personnel.

In addition, we have formed several specialised committees, including the Road Safety Committee, the Electrical Safety Committee, and the Occupational Illnesses Committee, which meet quarterly. Committee decisions are presented to the supervisors, who are responsible for disseminating them to their work groups.



A healthy workplace is also a safe workplace

We follow the guidelines of the International Labour Organization (ILO) and other national and international health agencies regarding the promotion and preservation of employees' physical and mental health and wellbeing. Our commitment is reflected in the rigorous compliance with applicable Colombian legislation, the HES-RM-SR Policy and the implementation of the HESMS, Hazard Identification, Risk Assessment and Control, and the Occupational Health and Preventive Medicine programme.

As required by law, all our employees are enrolled in Colombia's general social security system which ensures the provision of health services, protection against occupational hazards, and access to the pension system. We also cover the costs of affiliation for employees and their families to prepaid medical services (Health Management Organizations -HMO-) through an insurance company.

The industrial hygiene programme focuses on the identification, assessment and prevention of risks derived from the potential exposure of employees to conditions of poor lighting, radiation, chemicals, noise and vibration or high temperatures. The analysis and evaluation of the risks arising from these situations enables us to avoid or mitigate them.

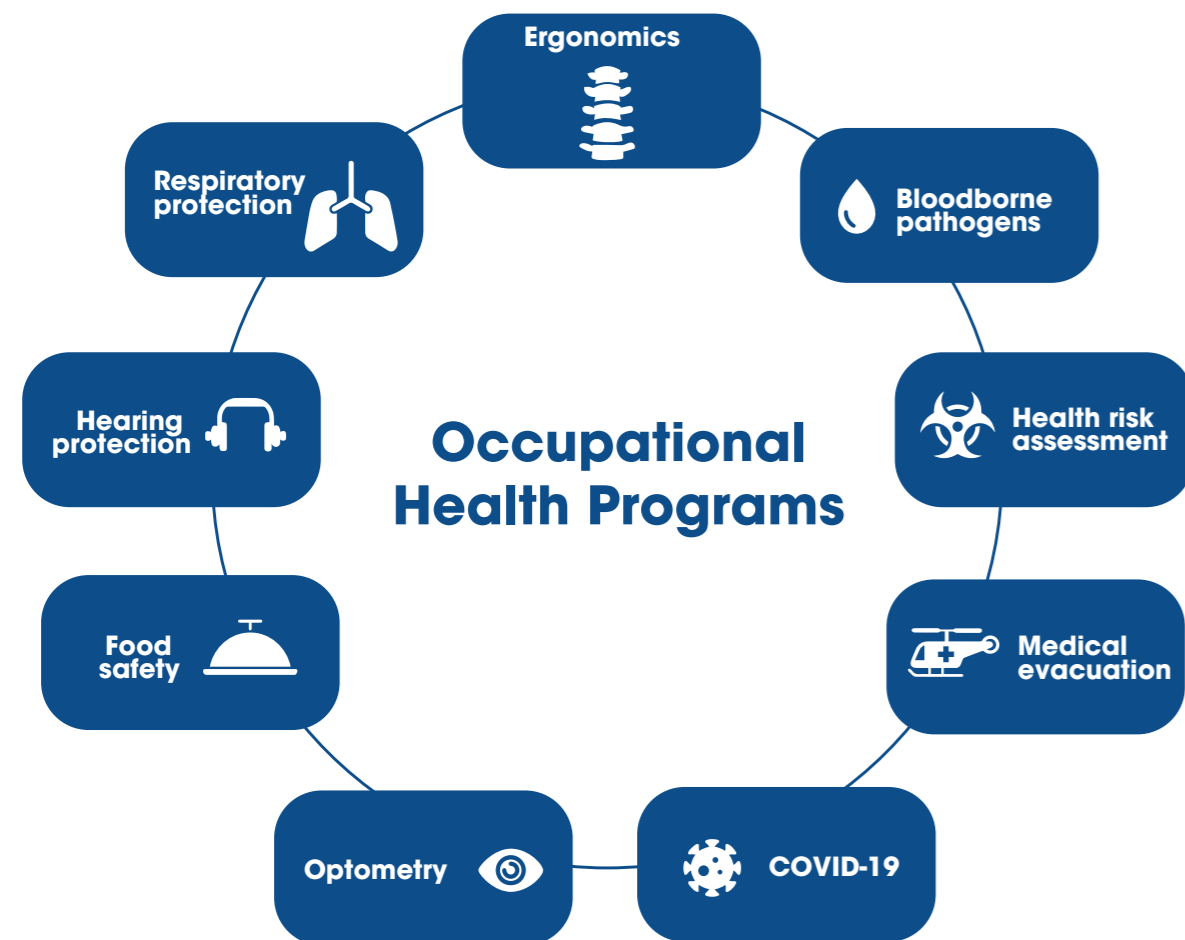
Furthermore, we conduct periodic audits of the Epidemiological Surveillance System to our suppliers in order to avoid exposing their workers to hazards associated with noise, biomechanical and chemical hazards. In 2020, 30 suppliers were evaluated, seven of which obtained the maximum score of 100 points and four others achieved a score of 95.

Epidemiological Surveillance Program for Contractors 2020

Companies with opportunities for improvement (%)	Type of risk	Recommendation
53.0	Noise	Complete dosimetry and perform noise reduction interventions
36.4	Biomechanical	Actions to improve the physical strength of our workforce
20.0	Chemicals	Conduct industrial hygiene studies

Total evaluated companies: 30

We cover the costs of affiliation for employees and their families to prepaid medical services (Health Management Organizations -HMO-) through an insurance company



Occupational Health Programs

Occupational health programmes are structured on the bases of the HESMS. This is governed by HES policies providing for the organisation and the planning and support systems required for its implementation. New employees are subject to medical examination when hired by the Company. Control and mitigation of health risk factors that may affect our workforce are based on periodic and annual examinations reports, as well as the findings obtained through epidemiological surveillance programmes.

Every year we arrange innovative health campaigns aimed at promoting healthy lifestyles. As part of our preventive medicine programmes, we promote the Healthy Life campaign, which seeks to prevent the risk of cardiovascular disease, prostate, breast and cervical cancer, as well as the promotion of voluntary physical activity, weight

control and healthy eating habits. We also provide extended programme coverage for our employees' families through Conexión Kids, an initiative aimed at strengthening the bond between parents and children through handcrafts.

The results obtained by the implementation of these programs are processed and stored in accordance with the rules of personal data protection and other rules governing health care, as well as outstanding policies on personal data processing. By 2021, our goal is to strengthen the company's health record system.

Absenteeism²³ rate due to medical leave was zero in 2020

²³ Absenteeism rate = # days of absence due to work or regular medical leave in the month/# days scheduled in the month.

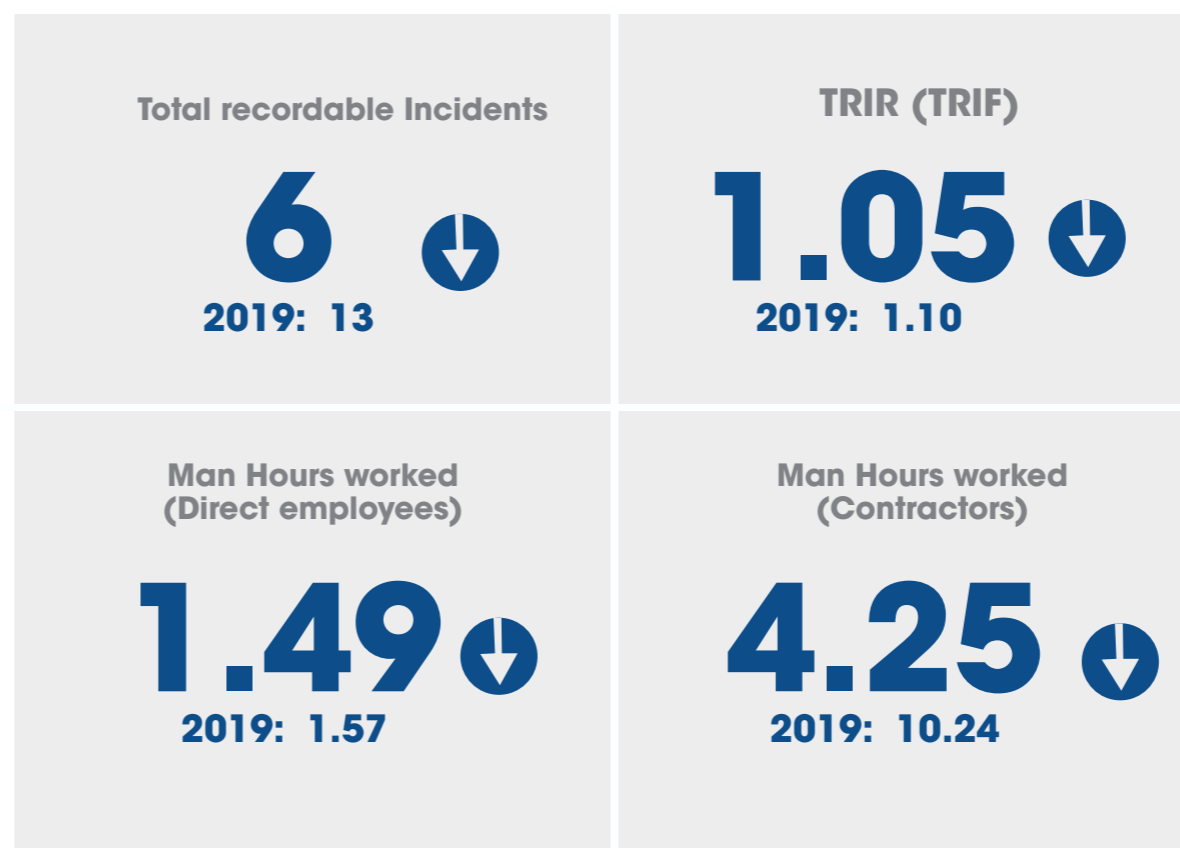
Medical consultation and Medical Evacuation Plan

An occupational medical team is in charge of the medical consultation programme and emergency plan. This team provides care to our workforce at SierraCol Energy's facilities both in the Bogotá offices (part-time) and in the fields. In the department of Arauca, we have a Medical Centre staffed by health professionals, 24 hours a day, seven days a week.

In addition, we have a Medical Evacuation Plan (MEDEVAC) in collaboration with the different hospital organisations in the regions where we operate. This plan allows us to refer employees as well as people from the communities near our operations in Arauca who face emergency situations. We also require suppliers to periodically update their medical evacuation plans to ensure timely response to emergencies.

Our goals from 2020:

- Maintain Total Recordable Incident Rate (TRIR) below 1.0
- Maintain our occupational illnesses incidence rate below 1%
- Prevent and mitigate the effects of COVID-19 on the health of our employees and stakeholders by actively promoting vaccination and adapting our biosafety protocols as the pandemic continues
- Strengthen the company's health record system
- Engage external stakeholders and surrounding communities in joint emergency drills



*Permanent or qualified injury in Northern Llanos resulted from unsafe working conditions associated to work at heights; in Middle Magdalena these resulted from unsafe working conditions related to location-storage systems and storage means, as well as general locations.

TRIR (TRIF) = # recordable incidents * 10⁶ / Million hours worked

Solid governance to create value



We work continuously to improve our governance. We evaluate and adjust corporate policies and procedures to guarantee responsible, transparent and sustainable business growth, ensuring the creation of value for our stakeholders. Our Corporate Governance Program drives business excellence and is accountable to our stakeholders

Ethics and transparency

Ethics and transparency are the cornerstones of our business. Ethical and transparent principles and policies enable us to build trustworthy relationships with our stakeholders, maintain our reputation and ensure the sustainability of our business.

Our ethical principles

Our Code of Business Conduct reflects these principles and values which serve as the bases of our compliance policies and related procedures. The Code addresses key issues including the integrity and respect that is intended to characterise relations between our staff and national and regional government representatives, local communities, contractors, suppliers, and business partners. The Code covers business ethics including harassment, safety or environmental risks, discrimination, inaccurate financial records, theft or fraud, conflict of interest, bribery, corruption or illegal payments. Our Speak-up and Non-retaliation Policy encourages individuals to report and seek guidance if they identify potential violations of our Code of Business Conduct.

Our Compliance professionals oversee the implementation of our Code and related policies and are responsible for communicating these to our workforce. Managers and staff in leadership roles ensure our personnel receive appropriate training and are responsible for the observance of all ethical business policies throughout the company.



Channels to listen and respond to concerns or complaints

We have developed alternative channels to allow our employees and other stakeholders to report any concern or complaint they may wish to file, while maintaining full confidentiality.

Our employees may directly contact:

- Supervisors, line managers, department heads or any member of our management team.
- Human Resources representatives
- Compliance area officers

In addition, the Integrity Helpline is a confidential anonymous reporting system that is available for all our stakeholders, including employees. It operates 24 hours a day, seven days a week. It is managed by an independent third party, that processes and forwards all reports to our Compliance officer. Reports can be filed online or by telephone at the following numbers and links:

www.lighthouse-services.com/Sierracol
 Keyword: sierracol
Etica-Colombia@sierracol.com

From Colombia in Spanish: Dial Toll Free el 01-800-911-0011, the operator will ask that you enter the number, dial 800-603-2869, and follow the operator's instructions.

From Colombia in English: Dial Toll Free el 01-800-911-0010, the operator will ask that you enter the number, dial 800-603-2869, and follow the operator's instructions.

Anti-bribery and anti-corruption

At SierraCol Energy we are committed to conducting all aspects of business in keeping with the highest legal and ethical standards. In accordance with this commitment and our Code of Business Conduct, we have adopted the Ethical Business Conduct Policy, which explicitly prohibits bribery, kickbacks, or corruption of any kind, directly or through third parties, whether or not explicitly prohibited by the Policy or by applicable law. The Policy and the internal controls established to implement it are designed to prevent bribery from occurring, avoid the appearance of wrongdoing and enable us to respond promptly and effectively to any inquiries about its conduct and the conduct of those acting on our behalf.

As would be expected, we comply with applicable laws and regulations that prohibit bribery, kickbacks and corrupt conduct, including Colombian anti-bribery and anti-corruption laws, the U.S. Foreign Corrupt Practices Act (FCPA) and other laws and regulations from jurisdictions where SierraCol Energy conducts its business.



SARLAFT

We have a Money Laundering and Terrorism Financing Prevention and Control System (SARLAFT), which fully complies with applicable Colombian regulations.

EITI

As a sign of our commitment to the governance of the hydrocarbon sector, we are members of the Extractive Industries Transparency Initiative (EITI), promoting open and accountable management of oil and gas resources.

Cybersecurity

Protecting information systems is the responsibility of all our employees, contractors and service suppliers. To fulfil this commitment, we enacted a Digital Information Security Policy and communicated an Acceptable Use Policy for Information.

After the acquisition of Occidental Petroleum Corporation's assets in 2020, we began migrating all the network resources of

our predecessor to SierraCol Energy's new independent network. Our goal for 2021 and 2022 is to implement all cybersecurity services in our own new network to protect our assets, identify the occurrence of cybersecurity incidents, develop techniques to respond to these events, and further improve our security processes. In accordance with industry best practice, we are building capacities to recover in case a cybersecurity event impacts our technological platforms.

Our goals from 2020:

Update our ethics and compliance policies and procedures

Explore cybersecurity improvements and develop techniques to respond to cybersecurity incidents

Ensure the training of our employees in the Code Business Conduct

Regulatory and environmental compliance



We honour the covenants or agreements signed by Colombia, all of which create value for our different stakeholders

We have a robust corporate governance structure and act in full compliance with the law and regulations applicable to the hydrocarbon sector, striving to maintain an excellent corporate reputation. We honour the covenants or agreements signed by Colombia, such as Paris Agreement, OIT 169, Convention on Biological Diversity, Convention on International Trade in Endangered Species of Wild Fauna and Flora, Ramsar Convention, Stockholm Convention, among others. Our Company observes the Precaution Principal to reduce or avoid negative impacts on the environment.

²⁴ We take significant fines or penalties as those > USD\$500,000

Environmental regulation

We strictly comply with the environmental regulations stipulated by the Colombian authorities to promote sustainable development in the country. We ensure our operations act in accordance with the parameters defined by the relevant authorities in their environmental licences. Through close observation we manage and can act upon the impact of our activities in a timely and effective manner.

Through the Bizagi platform we control and document the adherence to the requirements set forth by the different environmental authorities, to ensure compliance in terms of the

dates and scope of the authorisation specified in the licenses, permits and administrative acts.

More than 22 environmental licenses and permits granted to us demonstrate the manner in which we effectively comply with legal requirements regarding our use of natural resources.

In 2020 we were not penalised or fined for non-compliance with environmental laws and regulations. No substantiated claims were filed relating to violations of customer privacy and loss of data²⁴.

Our goals from 2020:

Maintain our record of compliance and non-penalisation for all environmental permits

Renew all required permits for emissions, forestry use and water withdrawal and discharge

Communications and stakeholder relations

At SierraCol Energy we strive to provide timely and complete information and to create multiple channels and two-way communications tools, all of which aim to improve our ability to listen, understand and respond to our stakeholders' expectations.

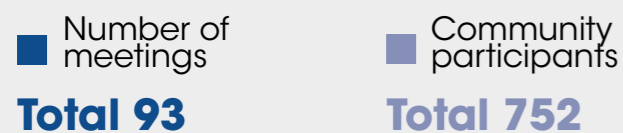
How we engage our stakeholders

A permanent two-way relationship with our stakeholders is important to us and our communications channels are designed to enable this. We provide timely information, learn first-hand about concerns, and have the ability to respond and manage them effectively.

Communication with communities

Communicating effectively with our communities is a relevant priority for us. For that purpose, once the consultation process with them is finalised, we carry out meetings to inform on the progress for each project. A total of 93 meetings were held in the Northern Llanos region during 2020. It is worth noting that these meetings were held in accordance with the provisions of the national and regional authorities to prevent the spread of the COVID-19 pandemic.

Meetings with communities 2020



Stakeholder	Channels and tools
Community	Website, Inquiries Response System (SAI), permanent spaces for interaction with community field professionals, opportunities for the socialization of projects, meetings to coordinate with the community and follow-up on community investment projects, meetings for dialogue, newspaper and radio shows social media: Facebook, Twitter and WhatsApp groups to share information on operations and to address requests, integrity hotline (ethics and compliance)
Authorities	Website Meetings Presentations and reports Letters Events Press Releases Integrity hotline (Ethics and compliance)
Contractors/Suppliers	Website, HES-SR Committee, Contractors' website Contractors' help desk Letters Permanent spaces for interaction with employees in operational areas and SCM. Integrity hotline (Ethics and compliance)
Civil Society	Website Social media (Facebook and Twitter) Newspaper and radio shows Advertisements in mass media Integrity hotline (Ethics and compliance)
Media	Website Press releases Events Training and professional improvement opportunities Integrity hotline (Ethics and compliance)
Partners	Website Press releases Events Training and professional improvement opportunities Integrity hotline (Ethics and compliance)
Employees	Website, Intranet Internal communications via email, HES communications, Town Hall meetings Bulletin Boards Human Resources meetings Integrity hotline (Ethics and compliance)

We strive to provide timely and complete information and to create multiple channels and two-way communications tools



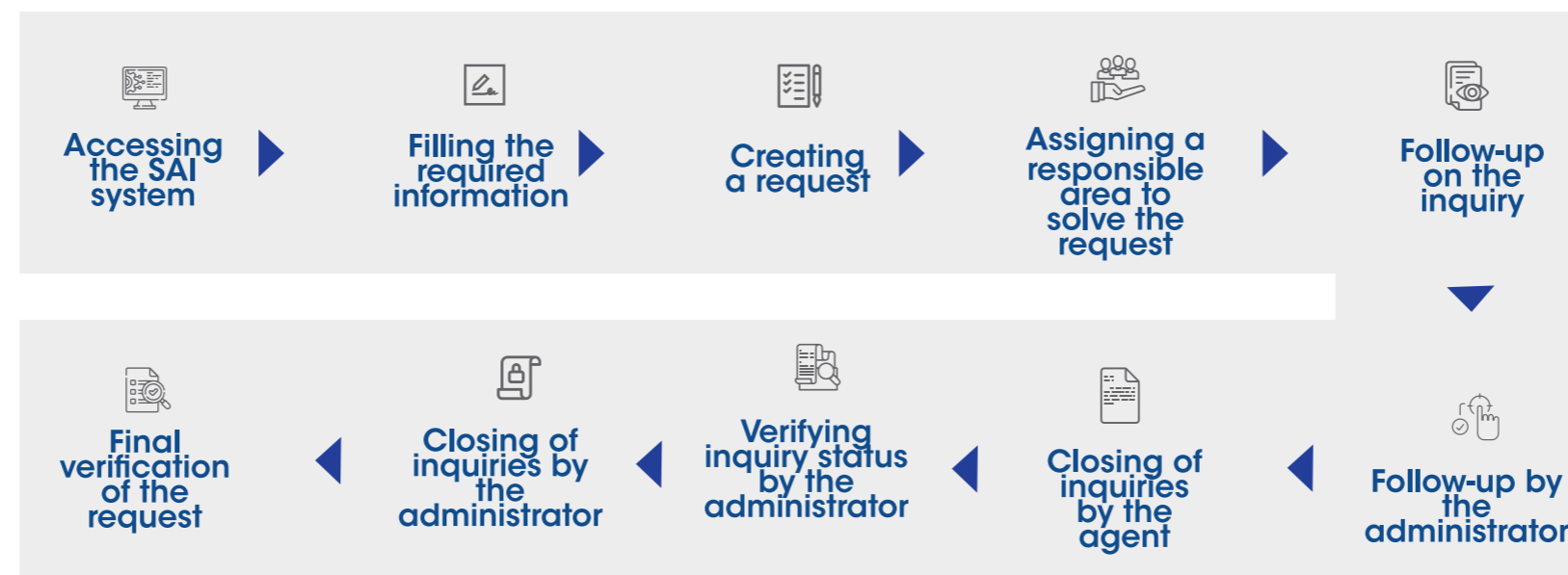


Inquiries Response System (SAI)

Through our Inquiries Response System (SAI as per the Spanish acronym) we receive and manage the suggestions, petitions, complaints and/or claims of the communities and other stakeholders. The receiver, the administrator, and the agent are responsible for the effective operations of SAI. Each of them is trained to understand the importance of this System and to acquire the necessary skills to use it properly.

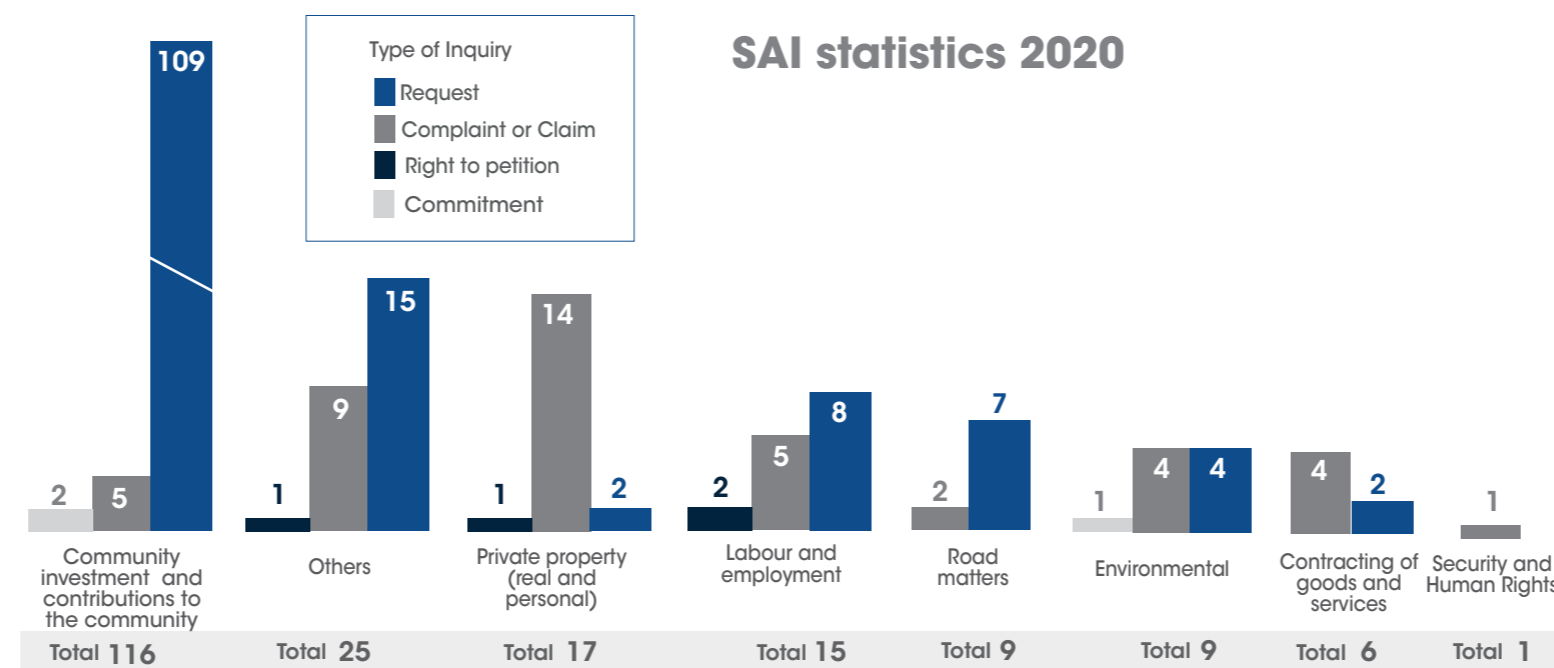
This mechanism allows us to build trust and maintain a harmonious relationship with our stakeholders, especially with the communities, while preventing and mitigating reputational risks to our operations.

In order to exercise control and gain clarity over this process, we classify inquiries into four categories; request, right to petition, complaint or claim and commitment. Each of the inquiries are classified according to their content as follows: labour and employment; private property; community investment; security and human rights; environment; contracting of goods and services; roads and transportation; Other (claims and requests related to topics other than those mentioned above, including those directly related to the operation).

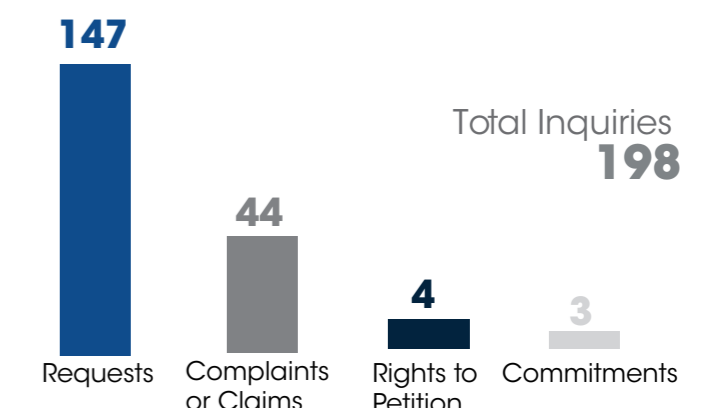


A total of 198 inquiries were received and processed in 2020, including 147 requests, 44 complaints, four rights to petition and 3 commitments. As of December 31, 2020, 87% of the inquiries were resolved and closed; the remaining 13%, i.e., 25 inquiries, will be responded in 2021.

At SierraCol Energy we seek to process all inquiries within a 15-day timeframe. This period may be extended for special reasons or force majeure. If there is any delay in responding, the interested party is informed of the reasons for the delay and the new estimated time of response is communicated. As the right to petition has legal underpinnings, we strictly comply with mandatory responds times.



Management of inquiries in 2020



Regional Communications Strategy

In coordination with our partner, Ecopetrol, we developed a Regional Communications Strategy for the department of Arauca. We seek to strengthen our communications with our regional communities, improve our transparency, and engage with them in direct and fruitful relationships.

Through this Strategy, we comply with the mandatory disclosure requirements of the Environmental Management Plans (EMP) and other environmental directives. We communicate the Social Management Plans (SMP) of the Company and develop tools to inform and educate the community, so we can address negative perceptions associated with the oil and gas. In addition, we keep a historical record of our operation with posts on different media and communications channels. Currently, our corporate media platform, includes local newspaper, radio programs, and digital channels (website, Facebook page, WhatsApp groups and other social media).

Media content is developed with the support of local journalists from Arauca. With their help we identify new opportunities to communicate with our stakeholders.

In 2020 our Communications Department contributed to the execution of the "Solidarity Plan", consisting of a series of actions aimed at providing humanitarian aid, preventing the spread of COVID-19 in Arauca, and strengthening the region's Health System.

We evaluate our Regional Communications Strategy monthly to understand its effectiveness. This assessment also seeks to identify new information requests, gauge community opinion, and establish media and content preferences, among others.



Our goals from 2020:

Disclose SierraCol Energy's operational and ESG practices

Strengthen communications and outreach strategies within the framework of the COVID-19 pandemic

Implement a strengthened plan for the Company's Social Engagement Plan (SEP) to our stakeholders

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Society

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SASB Index

SierraCol Energy - Sustainability Report 2020			
SASB Index 2020			
Greenhouse gas emissions			
Code	Metric	Unit of measure	2020
EM-EP-110a.1	Scope 1 (direct) greenhouse gas emissions (Operational control)	Metric tons CO _{2-e}	500,218
GHG emissions by source:			
EM-EP-110a.2	Flared hydrocarbons	Metric tons CO _{2-e}	117,465
EM-EP-110a.2	Combustion	Metric tons CO _{2-e}	343,253
EM-EP-110a.2	Fugitive emissions	Metric tons CO _{2-e}	38,636
EM-EP-110a.2	Emissions from transport	Metric tons CO _{2-e}	320
EM-EP-110a.2	Vented emissions	Metric tons CO _{2-e}	544
EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis against those targets	Sustainability Report 2020	Pgs. 22-24
Air quality			
Code	Metric	Unit of measure	2020
EM-EP-120a.1	NO _x	Metric tons	870
EM-EP-120a.1	SO _x	Metric tons	2,156
EM-EP-120a.1	VOC	Metric tons	6,834
EM-EP-120a.2	Particulate matter (PM10)	Metric tons	255
Water management			
Code	Metric	Unit of measure	2020
EM-EP-140a.1	Total fresh water withdrawal	Megaliters/year	110,815.15
EM-EP-140a.1	% of fresh water withdrawn in regions with high or extremely high baseline water stress	Percentage	0
EM-EP-140a.1	% of fresh water withdrawn in regions with high or extremely high baseline water stress	Percentage	0
EM-EP-140a.2	Volume of produced water	Megaliters/year	110,522.68
EM-EP-140a.2	% reinjection of produced water	Percentage	11.2

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EM-EP-140a.2	Hydrocarbon content in discharged water	Metric tons	54,5
EM-EP-140a.2	Flowback generated	m3/año	n.d
EM-EP-140a.2	% Discharged	Percentage	88.8
EM-EP-140a.2	% Injected	Percentage	11.2
EM-EP-140a.2	% Recycled	Percentage	1.3
EM-EP-140a.3	% of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage	Not applicable
EM-EP-140a.4	% of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Percentage	Not applicable
Biodiversity impacts			
Code	Metric	Unit of measure	2020
EM-EP-160a.1	Description of environmental management policies and practices for active sites	Sustainability Report 2020	Pgs. 28-29
Number and volume of hydrocarbon spills			
EM-EP-160a.2	Spills in operations	Number	3
EM-EP-160a.2	Spills in transportation	Number	0
EM-EP-160a.2	Volume of spills in operations	Barrels	1,428.6
EM-EP-160a.2	Volume of spills in transportation	Barrels	0
EM-EP-160a.2	Volume recovered	Barrels	0
EM-EP-160a.3	Proved reserves in or near sites with protected conservation status or endangered species	Percentage	0
EM-EP-160a.3	Probable reserves in or near sites with protected conservation status or endangered species	Percentage	0
Security, Human Rights & Rights of Indigenous Peoples			
Code	Metric	Unit of measure	2020
EM-EP-210a.2	Proved and probable reserves in or near areas indigenous land	Porcentaje	0
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Sustainability Report 2020	Pgs. 35-37

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Community Relations			
Code	Metric	Unit of measure	2020
EM-EP-210b.2	Number of non-technical delays	Number	15
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Sustainability Report 2020	Pg. 40
Workforce health and safety (only Colombia)			
Code	Metric	Unit of measure	2020
EM-EP-320a.1	Total recordable incident (TRIF) for employees	Recordable injuries/200,000 hours	0
EM-EP-320a.1	Total recordable incident (TRIF) for contractors (Northern Llanos)	Recordable injuries/200,000 hours	0.28
EM-EP-320a.1	Total recordable incident (TRIF) for contractors (Middle Magdalena)	Recordable injuries/200,000 hours	0.21
EM-EP-320a.1	Total recordable incident (TRIF) for contractors (Bogotá)	Recordable injuries/200,000 hours	0.07
EM-EP-320a.1	Total recordable incident	Recordable injuries/200,000 hours	0
EM-EP-320a.1	Fatality rate for employees	Number of events/hours worked	0
EM-EP-320a.1	Fatality rate for contractors	Number	0
EM-EP-320a.1	Total fatalities	Number	0
EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Sustainability Report 2020	Pg. 50
Reserves Valuation and capital reserves			
Code	Metric	Unit of measure	2020
EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Million barrels	This metric is not reported
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Million barrels	This metric is not reported
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	USD	This metric is not reported
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	-	This metric is not reported

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Ethics and transparency			
Code	Metric	Unit of measure	2020
EM-EP-510a.1	Percentage of proved and probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage	0
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Sustainability Report 2020	Pg. 57
Management of the legal and regulatory environment			
Code	Metric	Unit of measure	2020
EM-EP-530a.1	Discussion of corporate positions related to government regulation and/or policy proposals that address environmental and social factors affecting the industry	Sustainability Report 2020	Pg. 58
Risk Management			
Code	Metric	Unit of measure	2020
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Sustainability Report 2020	This metric is not reported
Métricas de Actividad			
Code	Metric	Unit of measure	2020
EM-EP-000.A	Production of oil (net)	Barrels/day	38,000
EM-EP-000.A	Production of natural gas	Mcsf/day	4.75
EM-EP-000.C	Number of terrestrial sites	Number	14

Glossary of acronyms

ACP: Colombian Petroleum Association

ANG: National Hydrocarbons Agency

ANLA: National Environmental Licensing Authority

CCS: Colombian Security Council

CEA: Colombian Council of American Companies

CIEP: Carlyle International Energy Partners

CME: Mining and Energy Committee on Security and Human Rights

CREO: Regional Centres of Hope and Opportunities Programme

CSR: Corporate Social Responsibility

EITI: Extractive Industries Transparency Initiative

EMP: Environmental Management Plan

ESAP: Environmental and Social Action Plan

ESDD: Environmental and Social Due Diligence

ESG: Environmental, Social and Governance

FAT: Fatalities resulting from work-related injury

FCPA: U.S Foreign Corrupt Practices Act

FECOC: Colombian Fuel Emissions Factors

GHG: Greenhouse Gas Emissions

GRI: Global Reporting Initiative

GTC: Colombian Technical Guide

HES MS: Health, Environment and Safety Management System

HES-RM-SR: Health, Environment, Safety, Risk Management and Social Responsibility Policy

HES: Health, Environment and Safety

HESMS: Health, Environment, Industrial Safety, Process Risks and Social Responsibility Management System

HMO: Health Management Organizations

IFC: International Finance Corporation (World Bank)

ILO: International Labour Organization

IOGP: International Association of Oil and Gas Producers

IPIECA: The Global Oil and Gas Industry Association for Environmental and Social Issues

IUCN: International Union for Conservation o Nature

JOHSC: Joint Occupational Health and Safety Committee

KBOPD: Thousands of barrels of oil per day

KBOEPD: Thousands of barrels of oil equivalent per day

LMS: Learning Management System Programme

LTIF: Lost Time Injury Frequency

MEDEVAC: Medical Evacuation Plan

MOC: Skilled workers

MONC: Unskilled workers

OSH: Occupational Safety and Health Management System

PCR: Polymerase Chain Reaction Test

PDET: Development Programs with a Territorial Approach

PUEAA: Programme for the Efficient Use and Saving of Water

RUC: Single Registry of Contractors

SAI: Inquiry Response System

SARLAFT: Money Laundering and Terrorism Financing Prevention and Control System

SASB: Sustainability Accounting Standards Board

SDGs: Sustainable Development Goals (UN)

SENA: National Learning Service

SIGO: Integrated Operational Management System

SMP: Social Management Plan

TCFD: Task Force on Climate-Related Financial Disclosures

TRIR: Total Recordable Incident Rate

UN: United Nations

UPME: Mining and Energy Planning Unit

USO: Unión Sindical Obrera

WHO: World Health Organization