



Human Rights Due Diligence Standard	
Department: Corporate Affairs	Area: Government Affairs
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**HUMAN RIGHTS DUE DILIGENCE STANDARD
SIERRACOL ENERGY**

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1. PURPOSE

The purpose of this Human Rights Due Diligence Standard (the "Standard") is to set out the corporate due diligence procedures and practices to identify, assess, prevent, mitigate, and remediate (where necessary) the risks and impacts on the Human Rights of Employees, employees of Contractors, or individuals from the communities, that arise or are perceived to arise from business activities carried out directly by the Company, by its Contractors or by public entities during the performance of collaboration agreements entered into by the Company¹.

Also, to establish communication and training procedures on Human Rights and to ensure due diligence in the value chain and in particular, by private security contractors.

The foregoing is in accordance with the Company's commitment to respect and promote Human Rights by exercising due diligence in the development of its operations, following the Human Rights Policy, the Security and Human Rights Policy, and the Code of Business Conduct, and adopting the Voluntary Principles on Security and Human Rights (VP) and the parameters established in the United Nations Guiding Principles on Business and Human Rights.

Capitalized terms in this Standard shall have the meaning set out in the Human Rights Policy.

2. APPLICATION

This Standard applies to all Company Employees, officers and members of the Board of Directors. The Company communicates the Human Rights Policy and Standard to all of its Contractors and partners.

3. PILLARS OF THE HUMAN RIGHTS DUE DILIGENCE STANDARD

3.1. IDENTIFICATION OF HUMAN RIGHTS RISKS AND IMPACTS:

Includes those related to the right to life, integrity and liberty of Employees, employees of Contractors and neighboring communities, freedom of association and collective bargaining, the elimination of forced and compulsory labor, elimination of all forms of child labor, elimination of discrimination in employment and occupation, decent, favorable and appropriate working conditions, rights of ethnic groups, collective rights and environmental rights, and, in general, all the rights enshrined in the Political Constitution of Colombia and in the International Bill of Human Rights.

The Human Rights risk and impact analysis will specially focus on the rights of groups or populations that are at greater risk of vulnerability. Accordingly, the risk analyses will specifically focus on the approximation and identification of risks and impacts on Human Rights of social leaders, ethnic communities, and indigenous communities, among others, in areas of business operation. This methodology considers a special approach to the social, cultural and economic rights of these communities, and a particular sensitivity to the preservation and care of areas of cultural importance to these communities, as well as the opportunity to promote the conditions for the social and economic development of these populations.

¹ Company or SierraCol Energy: SierraCol Energy Limited and any subsidiary or entity in which it directly or indirectly owns or controls a majority and/or shareholding interest.



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The Human Rights impact analysis will be bidirectional, considering risks to the Human Rights of the Company employees and the negative impacts or effects on the Human Rights of neighboring communities will be taken into consideration.

The Human Rights impact analysis will also identify opportunities to enhance positive impacts by creating conditions for respect and promotion of Human Rights.

The impact analysis will cover both the negative impacts on Human Rights caused by the Company's activities, and those related to its business relationships, private security contracts, agreements with Public Authorities, or institutional relationships.

The risk and impact analysis will be updated on a regular basis. Follow-up and monitoring will be carried out, and in cases where information or changes in the conditions of the territory occur, the corresponding update will be incorporated into the risk analyses, and the management measures for the newly identified risks and impacts will be defined.

The Human Rights risks and impact identification process follows these stages:

A. MONITORING AND ANALYSIS OF INFORMATION: A fundamental input to the identification of Human Rights risks and impacts is the monitoring and analysis of information. Accordingly, the following information must be considered:

1. Human Rights-related information in the Company's areas of operation;
2. The ability of law enforcement authorities to respond to violent situations and violations of the rule of law;
3. The socio-political and economic characteristics of the territory;
4. The causes and nature of armed violence and/or disarmament, demobilization, and reintegration processes; and
5. The measures adopted in post-conflict scenarios.

To this end, information from the following sources will be monitored:

- Authorities: Governors and Mayors' Offices (secretariats and/or human rights advisors), Military Forces and National Police, Public Prosecutor's Office (municipal or regional Ombudsman's Offices).
- Reports from Physical Security and Social Management personnel, among others.
- Trade unions (e.g. newsletters, website, networking meetings).
- Non-governmental organizations (NGOs) and human rights organizations in the area.
- International organizations and agencies.
- Internet, international, national and regional media, and social networks.
- Expert reports on the operational context.
- Human Rights risk and impact analyses.



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B. INSTITUTIONAL AND COMMUNITY ENGAGEMENT

Open, respectful, and transparent dialogue are principles of SierraCol Energy's institutional and community relations. Accordingly, the Company engages in regular dialogue with institutional and community stakeholders in the Human Right risk and impact identification process, in order to understand their perspectives and concerns, and to incorporate these inputs into the Human Rights risk and impact assessment.

C. ANALYSIS OF THE REQUESTS, CLAIMS, AND COMPLAINTS RECEIVED

Information related to observations, requests, claims, and complaints regarding potential real or perceived Human Rights impacts submitted through the Company's PQR system will be analyzed on a quarterly basis to identify trends in relevant issues and affected stakeholders, areas, related third parties involved, geographic areas, direction of the resolution, and actions and opportunities for improvement.

3.2. HUMAN RIGHTS RISK MANAGEMENT

After identifying Human Rights risks and impacts, the responsible areas must develop a work plan with preventive or mitigating measures. To this end, and considering the nature of the identified risk or impact, its scope, the affected population and its root cause, the responsible area will have:

- Internal functions and processes appropriately related to the identified and prioritized risks or impacts
- Specific and timely preventive and corrective actions in place

For each of these action plans, the individuals responsible for the appropriate levels and functions, and the budget (if necessary) will be identified, along with specific recommendations for their management. Indicators (qualitative and quantitative) will be established to inform on their effectiveness and to identify opportunities for continuous improvement. The results should be evaluated according to the indicators established by the responsible individuals, and a record of lessons learned should be kept as part of the risk management closure.

VALUE CHAIN ASSURANCE

This Standard includes monitoring compliance with the contractual clauses that govern the Company's business relationships with contractors in this area. To this end, the Company provides value chain assurance through the following activities: 1) monitoring the training that the Contractors provide to their employees on Human Rights due diligence, 2) monitoring compliance with contractual clauses related to transparency, legal compliance, and Human Rights due diligence, and 3) verifying that the Contractor has a permanent and transparent grievance response mechanism.

3.3 HUMAN RIGHTS MANAGEMENT REPORT

Without prejudice to the engagement and ongoing dialogue between the areas and the stakeholders, the Company will annually communicate to its stakeholders the management of relevant Human Rights issues.

The Company's Human Rights department will prepare the Company's management reports for the relevant bodies, audiences, and hearings.



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3.4 COMPLAINTS AND GRIEVANCE MECHANISM

The Company has established a system for the timely, transparent and effective reception, processing and response to claims or complaints, allegedly caused by its Employees, Contractors or related third parties, in relation to or during the development of its operations.

One of the purposes of this mechanism is to have timely knowledge of possible individual cases of Human Rights violations caused in the course of its direct activities or those carried out by its Contractors or institutional allies, to manage them diligently, and to serve as an instrument for the continuous improvement of its management.

It is essential for the Company to maintain and strengthen the system of concerns, requests, complaints, and claims, as this is a permanent and transparent communication channel with the public.

3.5 HUMAN RIGHTS TRAINING AND COMMUNICATION

The training of Employees and Contractors, and the communication of Human Rights due diligence management is an ongoing strategic objective of the Company.

Accordingly, all Company Employees are required to complete and pass training modules and to participate in the training provided by the Company to reinforce the Human Rights due diligence training.

In the case of specific risks and impacts, a communication channel and strategy will be established with the allegedly affected parties, where the specific response to a specific negative impact will be communicated.

Similarly, a general communication strategy will be implemented on an ongoing basis to address Human Rights related risks and to disseminate the Company's management in human rights issues.

3.6 PARTICIPATION IN MULTI-STAKEHOLDER INITIATIVES

In order to strengthen the management of Human Rights due diligence and to maintain ongoing dialogue and relationship with authorities, companies, academia and representatives of civil society, and to have spaces for exchange and best practices in this area, the Company is an active member of the Mining and Energy Committee on Security and Human Rights – CME, which participates in the Voluntary Principles on Security and Human Rights initiative.

4. RECORDING AND DOCUMENTATION

All Human Rights due diligence documentation will be maintained in a document tracking system. Access will be provided to Company personnel on a need-to-know basis and any privileged information will be kept in a restricted file.

5. STANDARD UPDATES

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Revisions to this Standard will be evaluated and updated periodically, as necessary, with the approval of the Vice President of Corporate Affairs.

6. RELATED POLICIES

No.	Type	Title
XXXXXXXX	Policy	Human Rights Policy
XXXXXXXX	Policy	Security and Human Rights Policy
XXXXXXXX	Policy	Code of Business Conduct
XXXXXXXX	Policy	Reporting and Non-Retaliation Policy