

# Sustainability Report 2024



Driving long-term value  
through ESG leadership





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**We continue our sustainability journey**

Our senior leadership, Caño Limón area

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# A message from our leadership



At SierraCol Energy, we are committed to building a more sustainable future, where energy is a driver of progress and well-being for all. This sustainability report reflects our effort to operate responsibly, minimising our environmental impact and contributing to the development of the communities where we operate and the well-being of our workforce.

In 2024 we reached important milestones in our mission to provide energy resources reliably and affordably, while advancing our sustainability commitments. In August, we completed the integration of the Caracas, Llanos 22, and La Cañada Norte assets into our portfolio, strengthening our market position and expanding our operational capabilities.

Our share before royalties production was 44.8 kboed, which enabled us to achieve an EBITDAX of US\$ 702 million and a Free Cash Flow of US\$ 242 million. Despite a challenging environment marked by a decline in oil prices with an average of US\$ 79.86 per barrel of Brent in 2024, we met all our financial objectives, including investments, social programmes, payments to suppliers, taxes, and dividends. Our company continued to generate value for our shareholders, and our strong financial position gives us the necessary flexibility to face future challenges.

Furthermore, thanks to our decarbonisation strategy, we achieved a significant 53% reduction compared to the 2020 baseline

and a 46% reduction in methane emissions compared to 2023, through the implementation of corrective actions on fugitive sources. Moreover, in line with our approach to energy efficiency, we decided to implement an Energy Management System (SGEn) under the NTC-ISO 50001:2019 standard in the Caño Limón area operations, to optimise our energy consumption.

Responsible water management and biodiversity protection are fundamental pillars of our strategy. We have reused a significant portion of non-domestic wastewater, identified and evaluated our water-related risks with the GEMI Local Water Tool™, and through our Biodiversity Management Programme, we have contributed to the conservation of species such as the jaguar. Additionally, we participated in the construction of the business biodiversity roadmap to align the private sector with the 23 global biodiversity targets.

During 2024, we allocated US\$ 5.3 million to social investment programmes and projects focused on infrastructure for development; improving the quality of life; education; and entrepreneurship and income generation. Similarly, we paid US\$ 183 million in income taxes and approximately US\$ 98 million in royalties.

Investing in our human capital is a strategic priority. Through training and development programmes, we empower our employees

to be agents of change and contribute to the transformation of our industry. We believe that a skilled and motivated workforce is essential to achieve our long-term sustainability goals, which is why we are proud to have exceeded our training hours target, accomplishing a total of 14,742. Additionally, we promote a preventive culture as a cornerstone of our operations. In 2024, we achieved the lowest recordable incident rate in six years, with a significant reduction of 70%, from 1.10 in 2019 to 0.33 in 2024. This result is the outcome of teamwork and our constant dedication to ensuring a safe and healthy work environment.

Furthermore, we were included in the list of best-rated companies by Sustainalytics in ESG issues and ranked us 5th out of 302 global oil and gas companies, in 2024. This demonstrates our solid management in sustainability issues and our commitment to transparency and information disclosure.

These achievements are the result of the joint efforts of our employees, who every day demonstrate their commitment to sustainability. To learn more about our initiatives, results, and future plans, we invite you to explore each section of this document.

**Tony Hayward**  
Executive Chairman

**Bernardo Ortiz**  
CEO







Caño Limón area



## About this report

In line with our objective of providing our stakeholders with a transparent and comprehensive view of how we integrate sustainability into our operations, we present our fifth sustainability report.

This report highlights our ESG initiatives and results during 2024, as well as our efforts to generate value for all our stakeholders and our business, while preserving natural resources.

## Frameworks

This report is aligned with the relevant standards and information frameworks for the oil and gas sector:

- Sustainability Accounting Standards Board (SASB).
- Global Reporting Initiative (GRI).
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- Recommendations of the Task Force on Nature-related Financial Disclosures (TNFD).
- Recommendations of the International Petroleum Industry Environmental Conservation Association (IPIECA).

## Scope

This report primarily focuses on the areas where we have operational control: Caño Limón area and Central Llanos (as shown on page 8).

**Note:** Data related to TRIR, safety, social investment, employment, financial performance, and environmental planning and control include data from La Cira Infantas. Where applicable, any re-statements of information have been clarified in the appendices of this report.

## Verification process

Our Sustainability Report was reviewed by the relevant area managers, the ESG Committee, and our Board of Directors. Additionally, PricewaterhouseCoopers has conducted an independent verification of the report to ensure the reliability and transparency of the information.

 [Limited Assurance Report](#)

If you have any questions or concerns about the content of this report, please contact us at [comunicaciones@sierracol.com](mailto:comunicaciones@sierracol.com).

Our 2024 Sustainability Report is available at [www.sierracolenergy.com](http://www.sierracolenergy.com)



Central Llanos







# About SierraCol Energy

**10,150**  
km<sup>2</sup>

Area in territory

**22**  
Blocks

8 blocks are in exploration  
14 in production phase

**44.8**  
kboepd

Share before royalties production

**11%**

Share of oil production in the country\*

\* Operated/jointly operated production

**645**

Direct employees





Central Llanos

# About SierraCol Energy

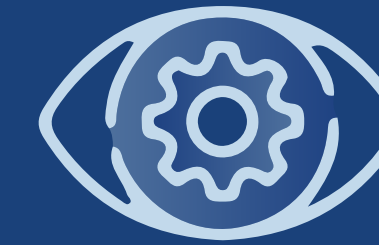
SierraCol Energy is a company that combines technical efficiency with sustainable practices for onshore exploration and production of hydrocarbons, demonstrating deep respect for the environment, its biodiversity, and the communities in which we operate .

## Mission, Vision, and Values



### MISSION

To responsibly develop energy resources to create value for our stakeholders



### VISION

To become the leading independent energy company in Colombia and Latin America

### VALUES



#### Sustainability

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



#### Results orientation

We strive for excellence in achieving results; we take appropriate risks; we aim to exceed expectations; we leverage our strong capabilities and apply new technologies.



#### Simplicity

We work efficiently, focusing on what is important; we adapt to change as necessary; we strive to get things right the first time.



#### People

People are our most valuable asset; we value and are committed to developing a diverse workforce; everyone has the same opportunity to learn and succeed.



#### Collaboration

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



#### Integrity

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





# Our operations

At SierraCol Energy, we combine technical efficiency with sustainable practices in the exploration and production of hydrocarbons. Our offices are in Bogotá D.C., Colombia, and our operations are carried out in the Llanos, Middle Magdalena, and Putumayo basins. 94% of the production has an API gravity of 25–35 and a low sulphur content.

Key assets include Caño Limón, a world-class oil field with over 1.5 billion barrels produced since its discovery, and La Cira Infantas, Colombia's oldest field, in production since 1918 with over 900 million barrels produced.

The Putumayo area is a region with significant exploration opportunities. We have six exploration and production (E&P) contracts in this basin, in collaboration with GeoPark, which is the operator.

In August 2024, we completed the integration of the Caracara, Llanos 22 and La Cañada Norte assets into our portfolio. These strategic assets reinforce our position as an industry leader.

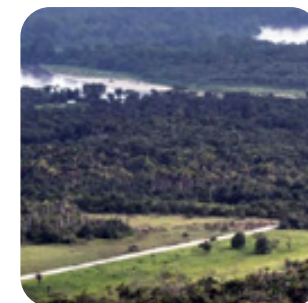
## Middle Magdalena



La Cira Infantas is the oldest field in Colombia, in production since 1918. Total cumulative production of more than 930 million barrels of oil. Enhanced oil recovery through water injection project. Collaboration between Ecopetrol (operator) and SierraCol Energy

**Department of Santander:** La Cira Infantas contract.

## Putumayo



Proximity to existing production facilities and evacuation routes. GeoPark as operator of the contracts and SierraCol Energy (Andina) as partner

**Department of Putumayo:** Putumayo-8, Putumayo-9, Putumayo-36, Mecaya, Terecay and Tacacho contracts.

## SierraCol Energy (Arauca) operational control area

### Caño Limón Area

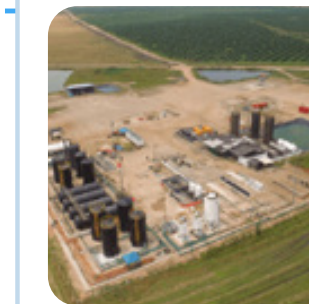


World-class field. Cumulative production of over 1.5 billion barrels. Two exploration blocks: Llanos 39 and Llanos 52. Partners in all contracts with Ecopetrol.

**Department of Arauca:** Cravo Norte, Rondón, Chipirón and Cosecha contracts

## CEDCO operational control area

### Central Llanos



Joint venture and exploration and production contracts with Ecopetrol and the ANH. High quality oil of ~20–32° API.

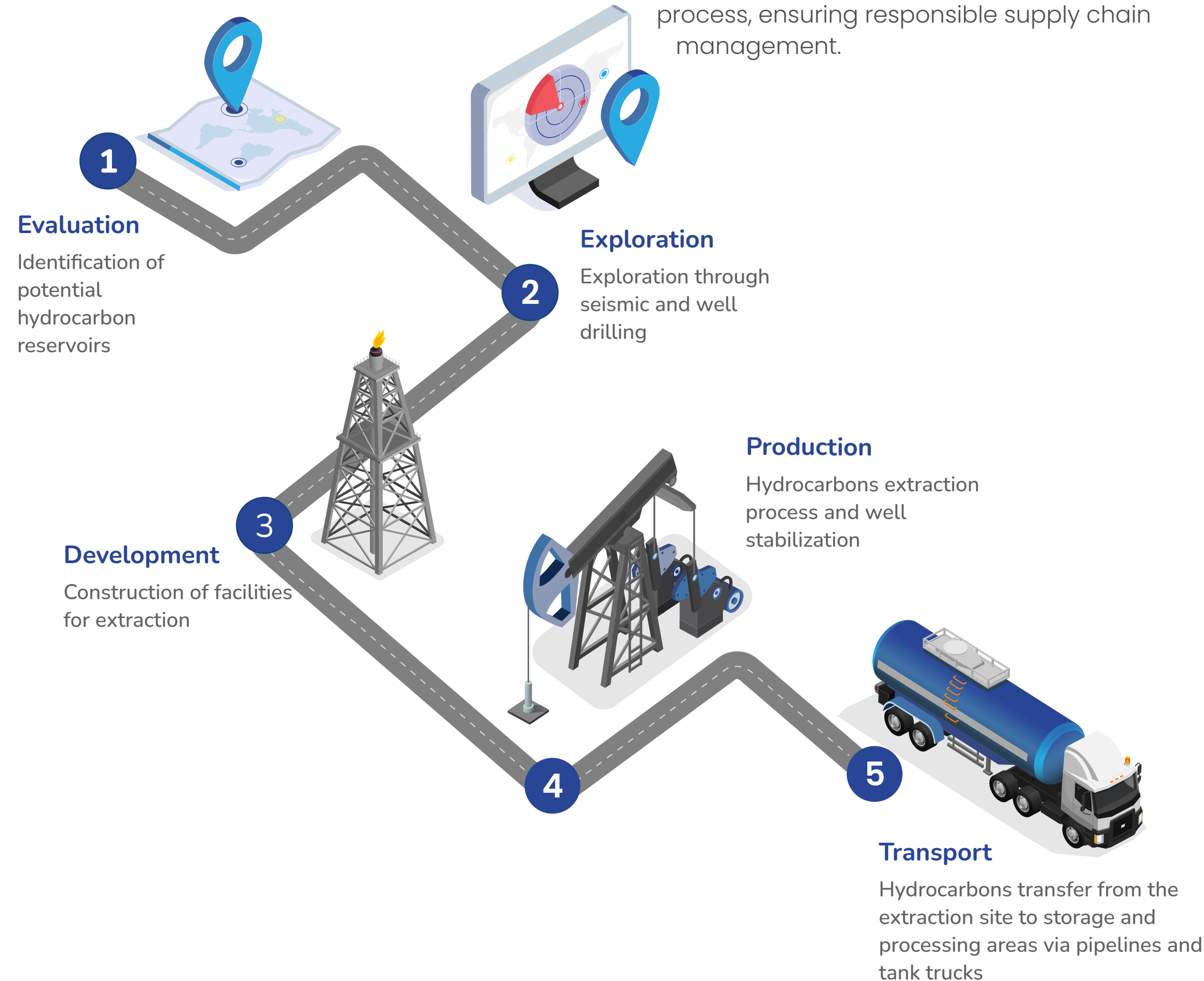
**Department of Casanare:** LLA-22, LLA-23, Río Verde, Los Hatós and Alcaraván contracts  
**Department of Meta:** Caracara contract

➤ The Caño Limón and Llanos Central areas contain 100% of the facilities operated by SierraCol Energy, representing 60% of our production.



## Value chain

Our value chain, which covers from exploration to the sale and distribution of hydrocarbons, is designed to meet current and future energy needs. We prioritise sustainability and regulatory compliance at every stage of the process, ensuring responsible supply chain management.



## Sustainability strategy

At SierraCol Energy, we focus on the highest sustainability standards to operate responsibly, generate a positive impact on the communities where we operate, and protect the environment and its biodiversity. Through

corporate social responsibility programmes and robust environmental practices, we seek to build a sustainable legacy and contribute to the protection of human rights.

Our sustainability strategy, based on five fundamental pillars, allows us to continuously improve our practices and meet the expectations of our stakeholders, contributing to the sustainable development of the regions where we operate.





# Double materiality

We have updated our materiality analysis, adopting a double materiality approach aligned with the human right's due diligence process. This approach allows us to assess both the financial and non-financial impacts of our activities, ensuring a comprehensive analysis in line with international best practices.

During this process, we reviewed our previous materiality assessments, analysed other materiality exercises from industry peers, and examined applicable sustainability standards and norms for the sector, to carry out a comprehensive six-stage assessment.



## Stakeholder identification

We identified the key actors among our stakeholders, both internal and external, including employees, customers, investors, suppliers, and the local community.



## Context and trend analysis

We conducted a benchmarking study to determine emerging trends and challenges that may affect our company and our stakeholders.



## Development of an ESG issues catalogue

We defined a robust catalogue of ESG issues, as topics that can influence the achievement of our company objectives or that can influence the environment and our stakeholders, and classified them according to our five ESG management pillars.



## Stakeholder consultation

We engaged our stakeholders through surveys to understand their perceptions of the identified ESG trends and to inquire from their perspective about other emerging challenges.



## Financial and impact prioritisation

We conducted an ESG issues evaluation matrix, where we weighted each topic according to its impact nature (positive, negative, direct or indirect, towards the company or towards the environment, among others) to determine how each issue affects the environment, stakeholders, and our company financial results.



## Validation

We socialised and reviewed the relevance of the issues with strategic leaders, and the materiality matrix was approved.



Central Llanos





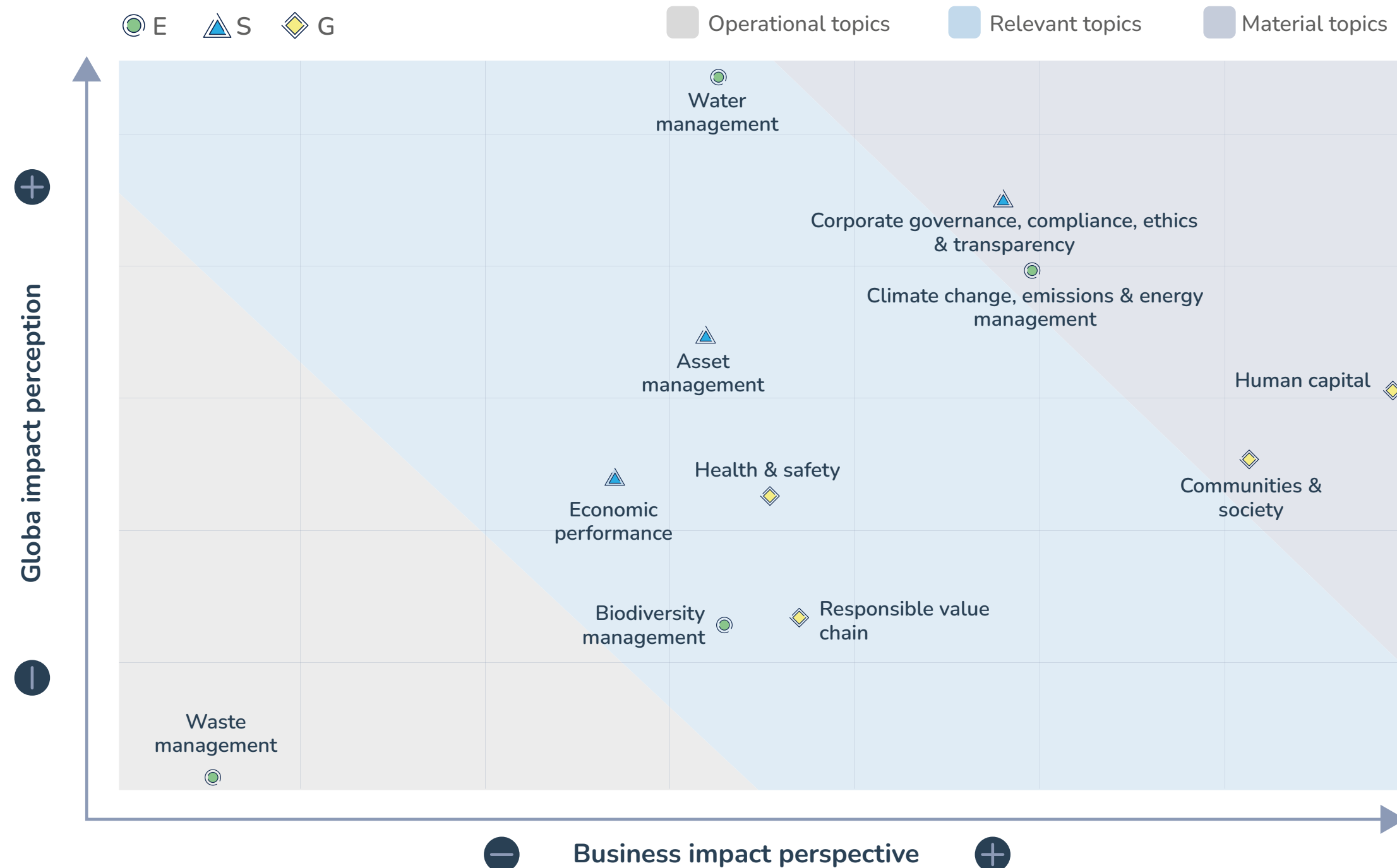
## Material issues at SierraCol Energy

We identified four topics as the most material. These will receive additional focus from 2024 onwards:

- Corporate governance, compliance, ethics & transparency

- Climate change, emissions, and energy management
- Human capital
- Communities & society

Other topics are classified as relevant or operational, and are effectively managed and emphasized within our company's management systems and processes.



## Affiliations, Associations, and External Initiatives

We voluntarily commit to the following international standards, frameworks, and initiatives to strengthen our commitment to business ethics and transparency, thereby reinforcing our corporate values.



Colombian Safety Council



Colombian Oil and Gas Association



Committee on Mining and Energy Security and Human Rights



Extractive Industries Transparency Initiative



Global Compact



National Association of Colombian Businessmen



British Colombian Chamber of Commerce in Colombia



Colombian-American Chamber of Commerce



Sustainable Development Goals (SDG)



Equator Principles



Global Reporting Initiative (GRI)



International Finance Corporation (IFC) standards



Paris Agreement



Task Force on Climate-related Financial Disclosures (TCFD)



Task Force on Nature-related Disclosures (TCFD)



Sustainability Accounting Standards Board (SASB)



International Petroleum Industry Environmental Conservation Association





# Our 2024 ESG results highlights

## 2024 performance

E

We optimise energy management, reduce emissions, and promote biodiversity conservation and resource efficiency to ensure environmentally responsible development and strengthen ecosystem resilience

We are committed to advancing our decarbonisation efforts. Having successfully surpassed our previous goal, we are now increasing our target to reduce CO<sub>2</sub> emissions by over 60% compared to the 2020 baseline across all our assets. Additionally, we aim to eliminate routine gas flaring in the Caño Limón area by 2025.

**53%**  
reduction in scope 1 and 2 emissions compared to the 2020 baseline

**46%**  
reduction in methane emissions compared to 2023

We remain committed to preserving and enhancing biodiversity in the areas where we operate and improving water resource management across all our assets

Developed the “Protecting the jaguar together” Project

Updated **water-related** risks assessment.  
No surface water used in **water-stressed** areas

**17** additional conservation agreements with local communities for 3 years, and the protection of **143** hectares and rehabilitation of **58.8** hectares of strategic ecosystems

S

We create lasting value and a positive legacy in our communities strengthening local development, promoting ethical business practices, and ensuring stakeholder well-being. We also promote human rights, diversity, equity, and inclusion, fostering an inclusive workplace and equal opportunities for all

Our total contribution to the territory continued and development programmes will grow in 2025.

US\$ **10.4** million investment in territorial and social development through voluntary social initiatives, on agreement with the Ministry of Housing, and projects through the Works for Taxes mechanism

US\$ **\$97** million in purchases of goods and services from local and regional suppliers

**64** houses built and, **277** improved with both voluntary investment and agreements with Housing Ministry

We aim to ensure business stability and growth through a diverse, highly skilled workforce and by fostering a simple, agile culture.

Female hires reached **39%**

**100%** of direct employees trained in human rights

**14,742** hours of training in soft and technical skills

G

We are guided by transparency, ethics, and compliance, ensuring corporate integrity, effective risk management, and responsible decision-making. Continuous improvement in safety, operational performance, security, and cybersecurity supports our sustainable growth aligned with international standards

We continue to position our company as a sustainability leader at regional, national, and international levels.

A 20.0 Sustainalytics ESG risk rating in 2024 recognise us as a top performer for the second consecutive year

Low	Medium	High	Severe
10-20	20-30	30-40	+40

Our goal is continuous improvement, ensuring top standards of safety, operational excellence, and financial performance.

**TRIR 0.33**

Zero materialised cyber security risk events

**US\$ 183.2 million**  
Income tax paid

**44.8 kboepd**  
SBR production

**US\$ 97.7 million**  
Royalties

**BEST SUSTAINABILITY PROGRAMME MANAGEMENT**

A Carlyle Recognition

We have been honored with the Carlyle's 2024 Sustainability Award for 'Best Sustainability Programme Management'. This recognition highlights our pioneering efforts as the first Carlyle portfolio company to publish a Task Force on Nature-related Financial Disclosures (TNFD), showcasing significant progress in biodiversity and nature-related topics. We also demonstrated remarkable year-on-year improvements in our sustainability programme, as detailed in our sustainability report. Furthermore, we have achieved a notable reduction in Scope 1 and Scope 2 emissions since our acquisition. The award includes carbon credits from the ILTF/NICC & Blackfeet Nation Forest Carbon Project.

**INDUSTRY TOP RATED**

For the second year

➤ For further information on our ESG achievements in 2024, please [click here](#)

Sustainability Report 2024 | SierraCol Energy

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# Climate action

**333**  
ktCO<sub>2</sub>e

Scope 1 and 2 emissions

**53%**

Reduction of our CO<sub>2</sub>e emissions vs 2020 baseline considering the newly incorporated assets

**46%**

Reduction in methane emissions in 2023

**15**  
ktCO<sub>2</sub>e/boe

Carbon intensity

**70%**

Renewable energy consumption

**47**  
kW/boe

Energy intensity





Caño Limón area

# Climate action

## Evolution in our carbon emissions management

At SierraCol Energy, our actions reflect the challenges posed by climate change to our society. As part of our commitment, we have defined ambitious strategies and goals aimed at strengthening our organisational capabilities to enhance operational performance through the implementation of alternatives aimed at reducing greenhouse gas emissions from our operations.

Our company's path towards emission reduction includes intermediate targets that primarily encompass Scope 1 and 2 emissions reduction. During 2024, we achieved a significant 53% reduction compared to the 2020 baseline, considering the newly incorporated assets Caracara and Llanos 22. This consolidates an annual emission reduction trend driven by the projects we have implemented. Additionally, we received national and international recognition for our management in reducing GHG emissions in our operations.

Our decarbonisation strategy is founded on mitigation alternatives integrated into the pillars of energy transition, energy efficiency, routine gas flaring elimination plan for December 2025 in our main operation in the Caño Limón area, and the quantification and mitigation of fugitive and methane emissions, where significant progress has been made in managing and mitigating these emission sources.

This progress is evidence of our commitment to climate change management, building a resilient business, and promoting an environment conducive to the development of human activities. Furthermore, upon acquiring a new asset, its emissions are incorporated into the inventory by reconstructing the historical timeline using activity levels during the periods they had operations and associated emissions under the operational control of another company, leading to changes in previously reported values. This method ensures that the

inventory accurately reflects the asset's total emissions over time, maintaining consistency with historical data.



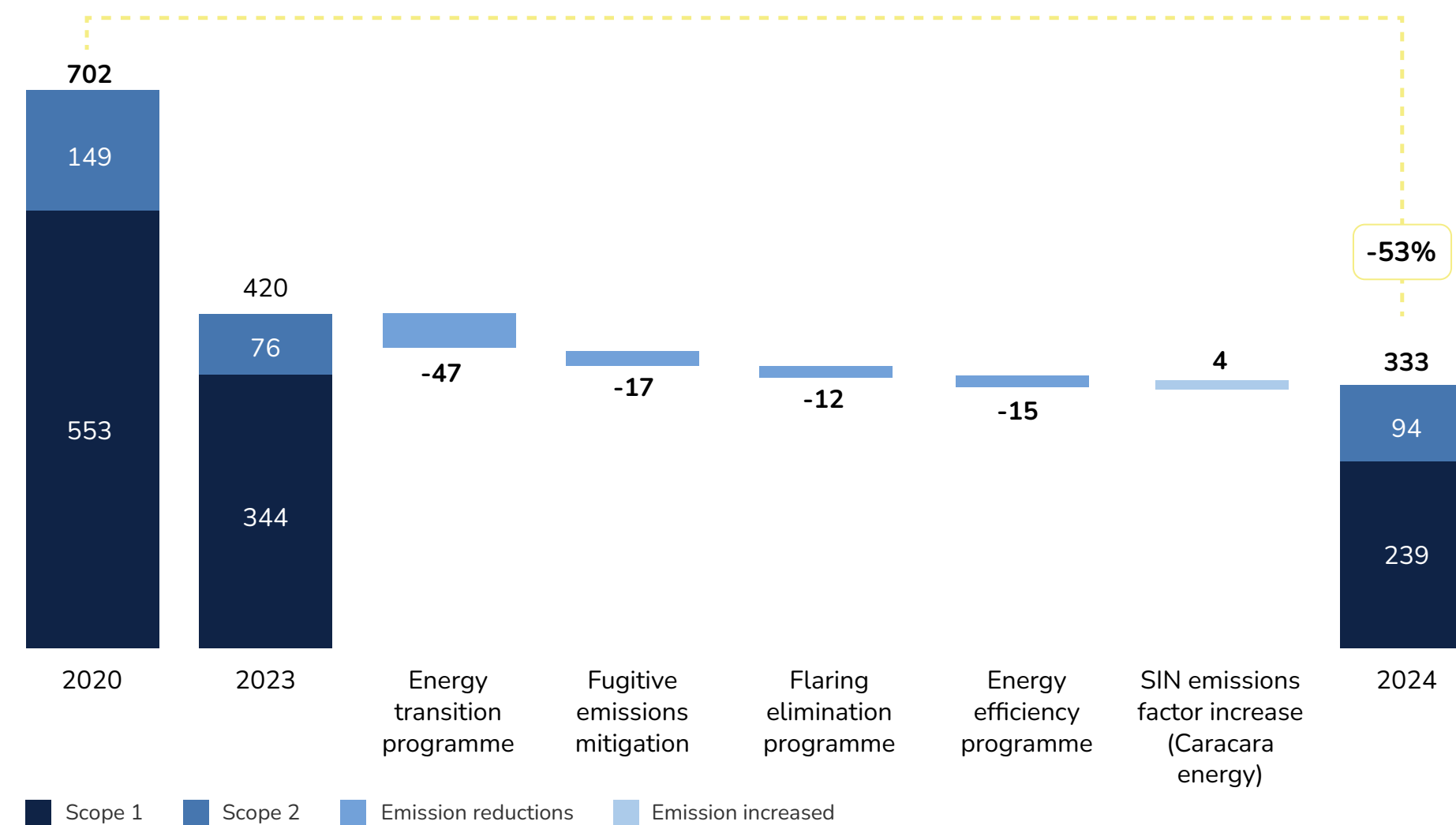
Caño Limón area





## Carbon footprint progress

Thousand tons of CO<sub>2</sub>e / year



Monitoring and managing emissions are conducted under the operational control approach, considering CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O gases. Emission inventories for the current and previous periods have been recalculated to include assets acquired during 2024 and verified by a certified verification entity in accordance with ISO 14064, the Compendium of Greenhouse Gas Emissions Methodologies for the Natural Gas and Oil Industry by the American Petroleum Institute (API) 2021 and the GHG Protocol Corporate Accounting and Reporting Standard.

During this period, emissions continued the reduction trend relative to the baseline, achieving a carbon intensity<sup>1,2</sup> of 15

kg CO<sub>2</sub>e/ boe, which includes scope 1 and 2 emissions in the following categories:

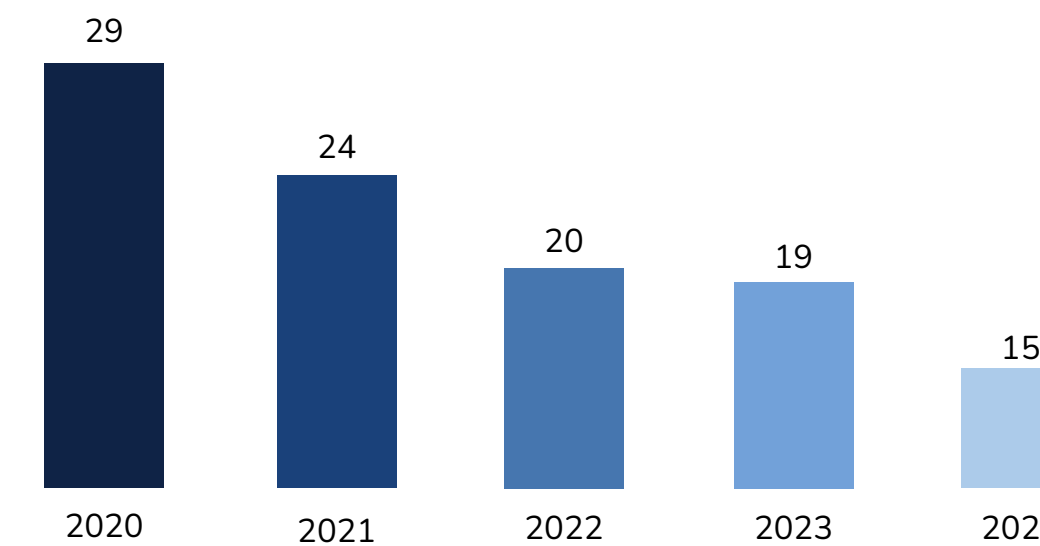
- Stationary combustion
- Routine gas flaring
- Fugitive emissions
- Process and venting emissions
- Energy purchases

<sup>1</sup> The global warming potentials used correspond to the IPCC Fifth Assessment Report. CO<sub>2</sub>=1, CH<sub>4</sub>=28 and N<sub>2</sub>O=265.

The carbon intensity rate considers annual gross production from operated fields corresponding to 21,884,398 boe.

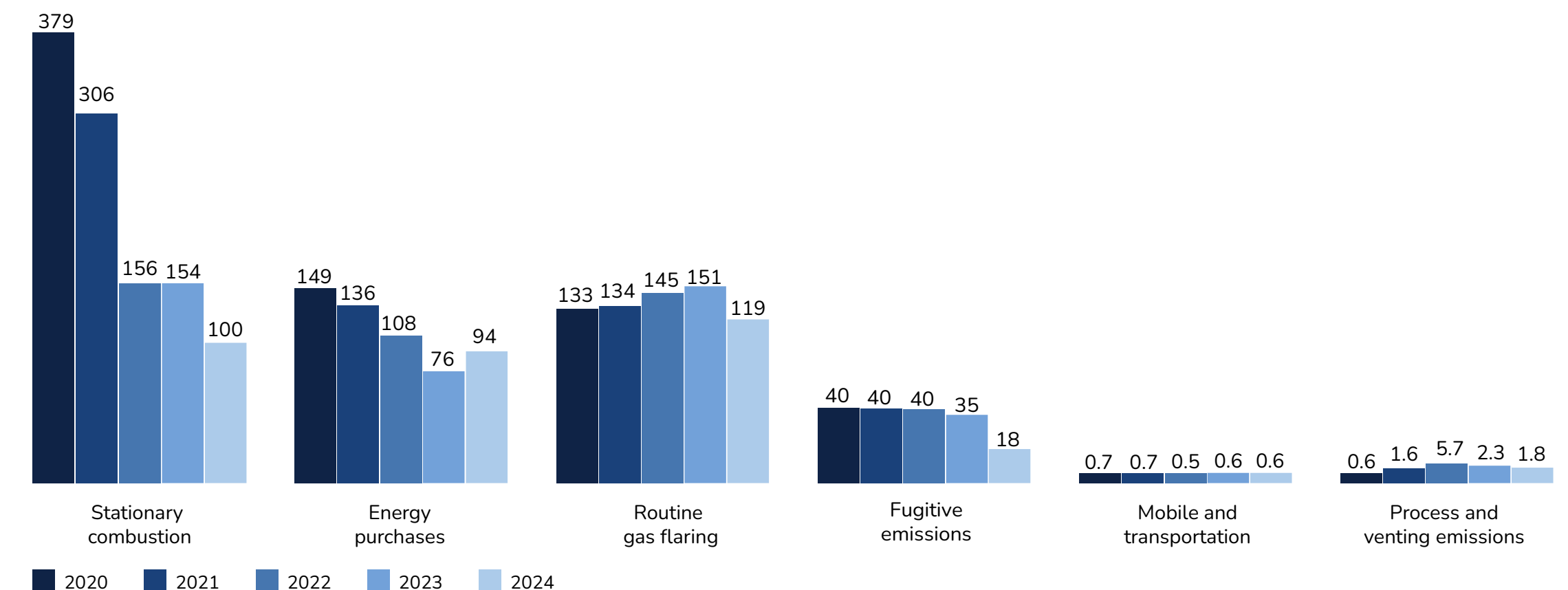
## Emissions intensity rate by operational control

kg CO<sub>2</sub>e / boe



## Gross GHG Emissions by Source

Thousand metric tons of CO<sub>2</sub>e



<sup>2</sup> The carbon intensity normalised by revenue presents the values 1,150, 727, 375,377, and 286 tCO<sub>2</sub>e/US million for 2020 to 2024, respectively. The emissions intensity per revenue excludes Caracara and Llanos 22 assets due to their acquisition in the second half of the period, as revenue data for these fields is incomplete for prior periods and parts of 2024.



Caño Limón area





To achieve these results, we advanced in our decarbonisation process through key actions and the implementation of new mitigation alternatives, which have led to the following outcomes:

- Installation of a fourth 50 MVA's transformer in the Caño Limón area to eliminate 100% of thermal power crude oil-based generation by replacing it with clean renewable energy (hydroelectric power) from the national grid. This effort not only increased the energy import capacity from the National Interconnected System predominantly hydraulic but also achieved a 25% increase in the ISA substation capacity in the department of Arauca.
- Implementation of energy efficiency alternatives that include the installation of permanent magnet motors in artificial lift systems, subsurface management through production water control, and shutdown of wells with higher water cut. Additionally, subsurface equipment design processes and production facilities operational control were strengthened, achieving a combined reduction of approximately 11.8MW (~100 Giga Watt hours per year) of our total operation consumption in the Caño Limón area, representing a reduction of approximately 8.5%.
- Implementation of routine flaring elimination of associated gas at the Caricare facility. Previously flared gas is blended with high-pressure gas and the

entire stream is directed to the power generation plant.

- We successfully commissioned the treatment plant for gas to fully stabilised liquids conversion at the PFI facility as part of the routine gas flaring elimination process. The gas-to-liquids plant for routine flaring at PF2 is under construction and is expected to be completed in Q1 2025.
- Development of methane measurements for the second consecutive year using top-down and bottom-up technologies and implementing corrective actions on fugitive methane emissions sources, with a focus in Central Llanos operations.

Likewise, as part of our corporate strategy, we incorporated the assessment of climate-related risks and opportunities into the management plan.

**Alternatives evaluated and implemented during 2024 will generate positive results and contribute to achieving the reduction targets set for 2025.**

- Evaluation of alternatives for the utilisation of production gas in the Central Llanos area, covering the assets acquired during the period (Caracara and Llanos 22) and the routine associated gas flaring elimination in Meta and Casanare operations.
- Installation and testing of a Battery Energy Storage System (BESS) with a capacity of 1MW, 1 hour, and a response time of 2

milliseconds in the Llanos 23 block. This initiative aims to eliminate thermal power crude oil-based generation at the Pointer facility and continue the implementation of energy transition alternatives to cleaner sources across all operations in accordance with the characteristics of each location.

- Obtaining I-REC certificates (Renewable Energy Certificates) for the energy purchased from the national grid in the new Caracara block.
- Elimination of routine flaring in 2025 in the Caño Limón area by using the remaining gas from the PFI and PF2 gas-to-liquids plants for self-generation of electricity, employing special reciprocating equipment given the gas condition with a low methane number and high CO<sub>2</sub> content.
- Evaluation of additional initiatives to achieve an approximate 62% reduction in GHG emissions by 2025 across all operations compared to the recalculated 2020 baseline, encompassing the assets acquired during 2024.
- Ongoing methane measurement and mitigation programme to achieve compliance with local regulations (ANH) and international initiatives (OGMP-UN and World Bank).



Central Llanos





Top-down methane measurement, Caño Limón area

➤ **The emissions data for individual sources across our operations is consolidated using mass balance, emission factors, and direct measurements.**

➤ **The emission factors for emission sources are specified in the inventory design document. For domestic fuels, factors provided by UPME (Unit of Mining and Energy Planning) are used.**

➤ **To estimate emissions from the energy purchased from the SIN, we used the emission factor provided by XM as the SIN operator.**

➤ **For the energy supplied by Genser Power, an emission factor is estimated based on the gas characterisation, the gas volume used, and the energy supplied.**

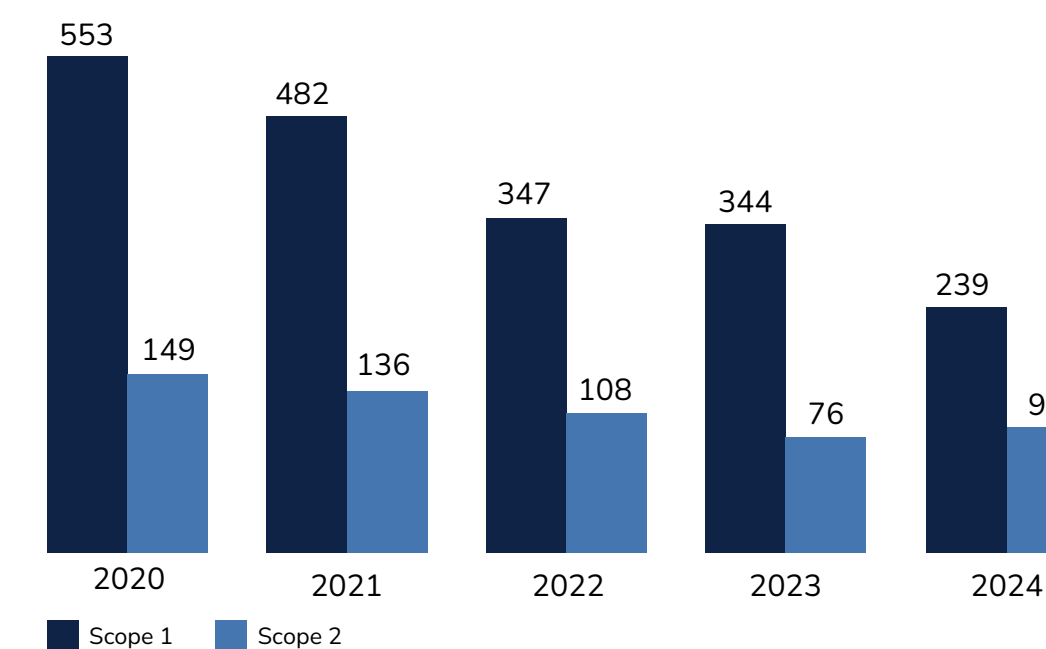
Under the guidelines of the World Resources Institute present in the GHG Protocol Scope 2 Guidance, emissions quantification from the purchase of electricity is measured using the location-based approach corresponding to 42 ktCO<sub>2</sub>e and the market-based method with a value of 94 ktCO<sub>2</sub>e. We adopt the market-based method as it employs the particular characteristics of each energy source used.

Moreover, biogenic emissions from the combustion of palm oil and anhydrous ethanol present in diesel and gasoline distributed represent carbon-neutral emissions that reflect

the CO<sub>2</sub> previously absorbed. Since 2020, these emissions have increased due to the higher biofuel content in commercial blends. However, in the current period, they remain stable compared to the previous one, thanks to mitigation projects that reduce the use of diesel in power generation.

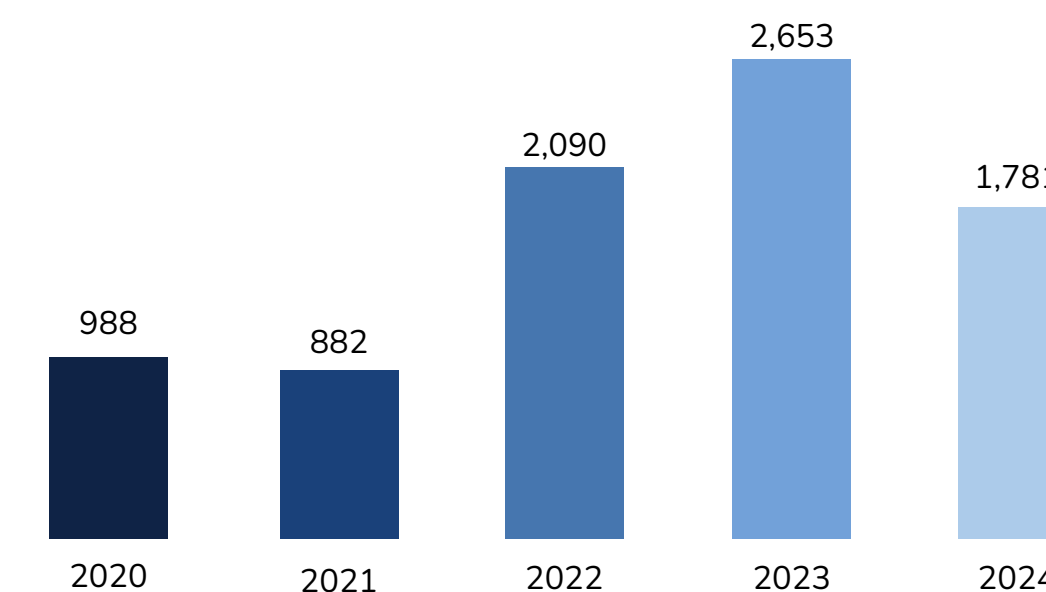
### Gross emissions scope 1 and 2

Thousand metric tons of CO<sub>2</sub>e



### Biogenic emissions

Metric tons of CO<sub>2</sub>e



Although our goals are focused on managing Scope 1 and 2 emissions, we continue the process of quantifying Scope 3 emissions. As an Upstream company we see limited opportunities to reduce Scope 3 emissions but have disclosed them to provide additional transparency with respect to the footprint of our products. In this process, we identified that the most significant category corresponds to the use of sold products, contributing over 90%, providing limited reduction opportunities for our core business.

Scope 3 category	Description	Emissions (kt CO <sub>2</sub> e)
C1	Purchased goods and services	173
C2	Capital goods	1.2
C3	Fuel and energy related activities	8.8
C4	Upstream transportation and distribution	8.6
C5	Waste generated	0.4
C6	Business travel	0.3
C7	Employee commuting	14.8
C8	Upstream leased assets	0.07
C9	Downstream transportation and distribution	9.3
C11	Use of sold products	9,736
<b>Total</b>		<b>9,952.4</b>
<b>Biogenic emissions (t CO<sub>2</sub>e)</b>		<b>1,582</b>



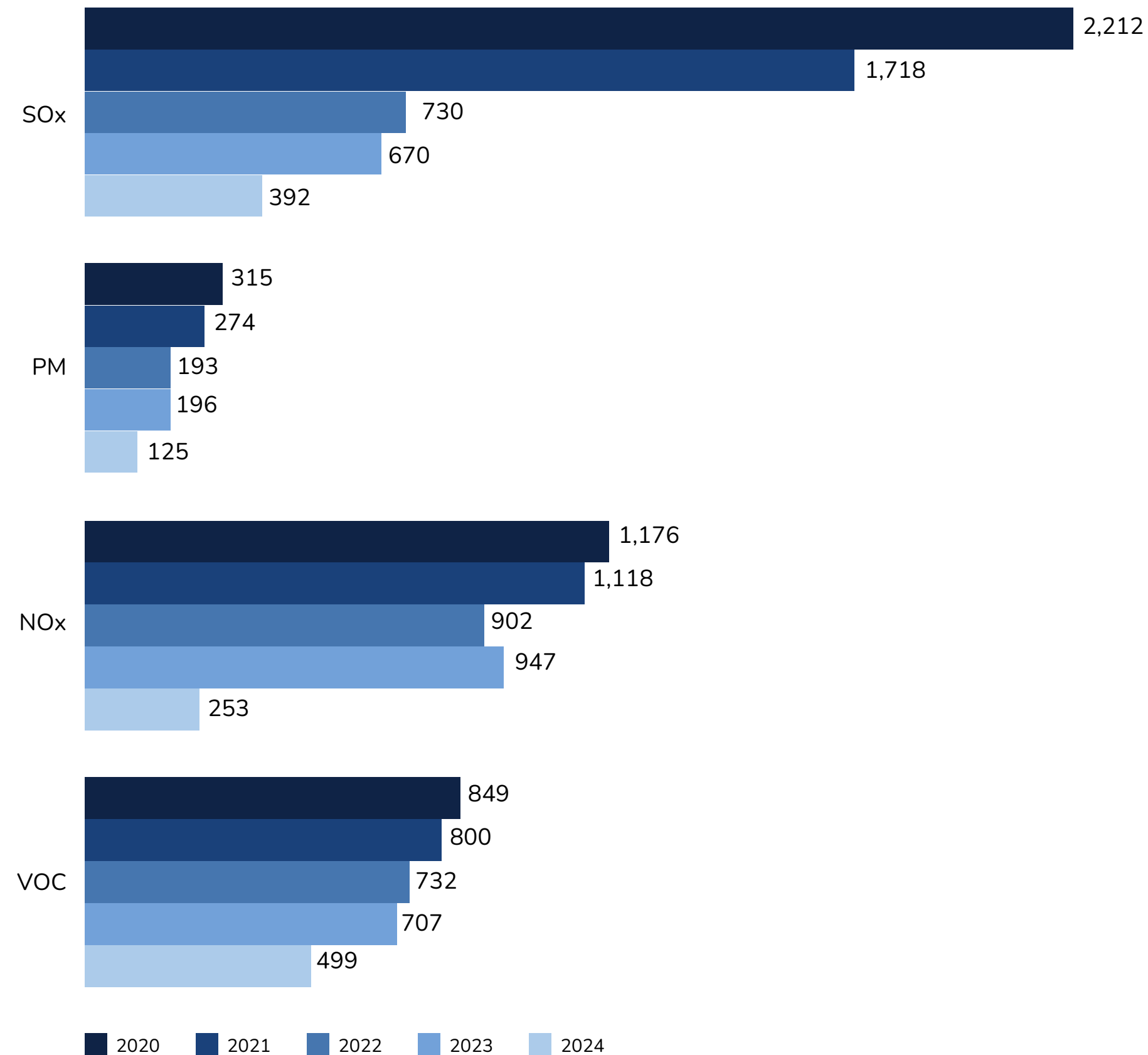


In order to minimise the impact of operations on air quality, our company quantifies non-GHG atmospheric emissions to analyse their distribution over different periods. In this regard,

the various components show a decreasing trend associated with the reduced volume of fuel used in self-consumption power generation.

## Non - GHG air emissions

Metric tons



## Sustainable energy management

Electricity management and consumption play a crucial role in the development of our operational activities, contributing not only to the reduction of GHG emissions but also presenting a direct impact on operational cost reduction.

**We have explored various alternatives to increase the consumption of renewable energy by sourcing electricity from the National Interconnected System (SIN), achieving contracts for electricity supply with companies whose energy sources are 100% renewable (hydraulic, solar, wind, and others), with I-REC certificates validating the origin of the energy. In this process, Isagen has become the preferred partner for this purpose.**

During the second half of 2024, the fourth 50MVA's transformer was put into operation in the Caño Limón area, allowing the replacement of all electricity generation produced with crude oil combustion engines by energy from the national grid, which is mostly hydraulic.

Within our energy efficiency pillar, we have focused our efforts on several initiatives to reduce and optimise the energy consumption of operated assets, grouped into three categories: subsurface, surface, and artificial lift systems.

For Caño Limón area:

- **Subsurface:** Shut down 20 wells with marginal economics, which resulted in a reduction of 3.5MW and 56Kbfpd. Furthermore, with the “water conformance” and “reactive intervention” programmes, an additional reduction of 2.0MW was achieved, along with a decrease in produced water volumes, as shown on page 30.
- **Surface:** Through the efficiency point improvement programmes developed in 209 wells, an additional reduction of 0.5MW was achieved. Finally, with bottom equipment design optimisation and the multi-year campaign to install permanent magnet motors, an approximate reduction of 1.0 MW was obtained, leading to a total saving of 11.8MW equivalent to 100 GW hours per year. This programme was developed simultaneously with the ISO 50001 certification initiative, designed to help organisations establish, implement, maintain, and improve an energy management system (EMS). Its main objective is to continuously improve energy performance, including energy efficiency, use, and consumption.
- **Artificial lift systems:** The alternatives aim to manage energy demand in production processes, for which a multi-year strategy of installing permanent magnet motors has been implemented to reduce energy consumption. Additionally, during the period, the optimisation of artificial lift equipment designs was carried out to control flow and achieve optimal operating ranges.

We continue to evaluate new emission mitigation opportunities by managing and comparing energy



demand from the baseline to establish impacts and associated reductions of the projects. Similarly, as part of our decarbonisation plan, we continue implementing alternatives to enhance operational performance:

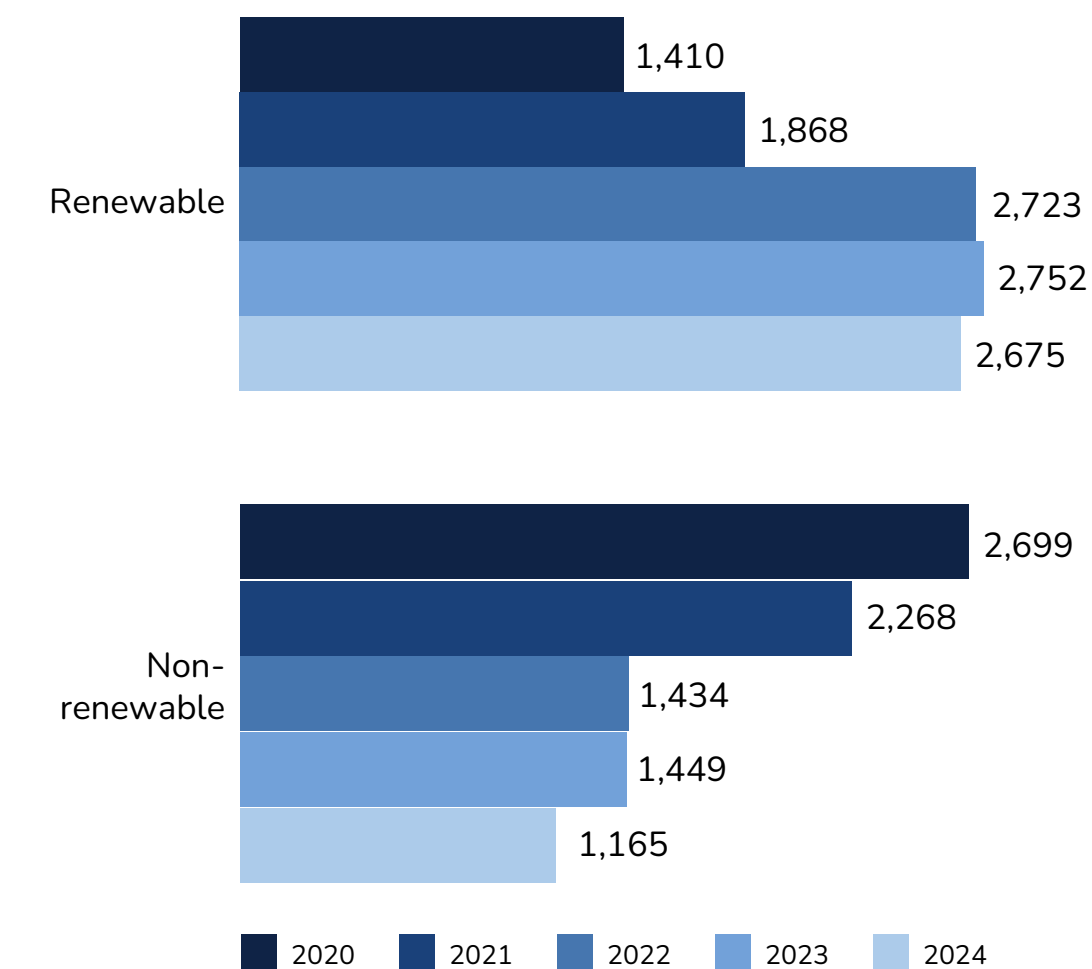
- Alternatives for the utilisation of production gas in Central Llanos operations.
- Installation of BESS to migrate 1 MW of self-generated electricity from diesel and crude oil to renewable sources from the SIN.
- Installation of permanent magnet motors in artificial lift systems to reduce energy consumption with more efficient equipment.
- Strategy for controlling production water through interventions and the use of seals to reduce energy consumption in the Caño Limón area.
- Energy demand management in production operations by shutting down wells with low profitability, optimising equipment designs and artificial lift systems and controlling well frequencies.

The reported energy consumption includes the total annual consumption in the operated assets in the Caño Limón area, Central Llanos, and the Bogotá offices. Non-renewable energy comprises electricity thermal power generation based on crude oil, diesel, and gas, while renewable energy mainly encompasses hydroelectric power from the SIN.

The energy intensity indicator includes the total annual electricity consumption in the operated areas and the annual gross production from operated fields corresponding to

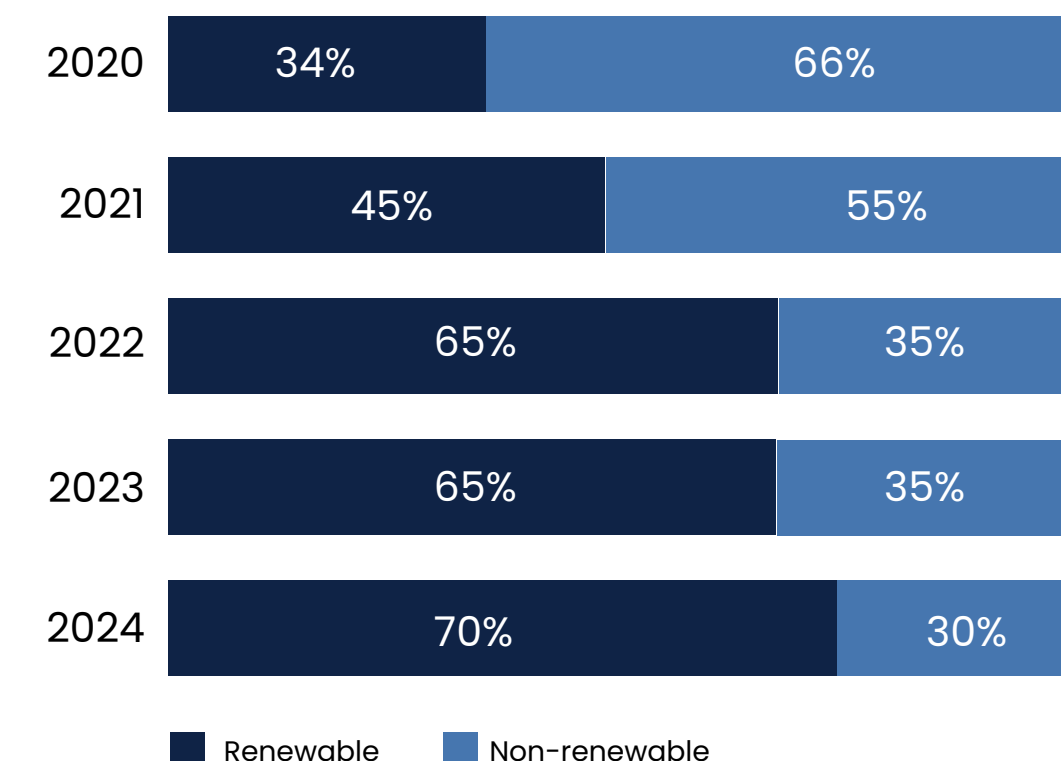
## Energy Consumption

Terajoules



## Energy Consumption

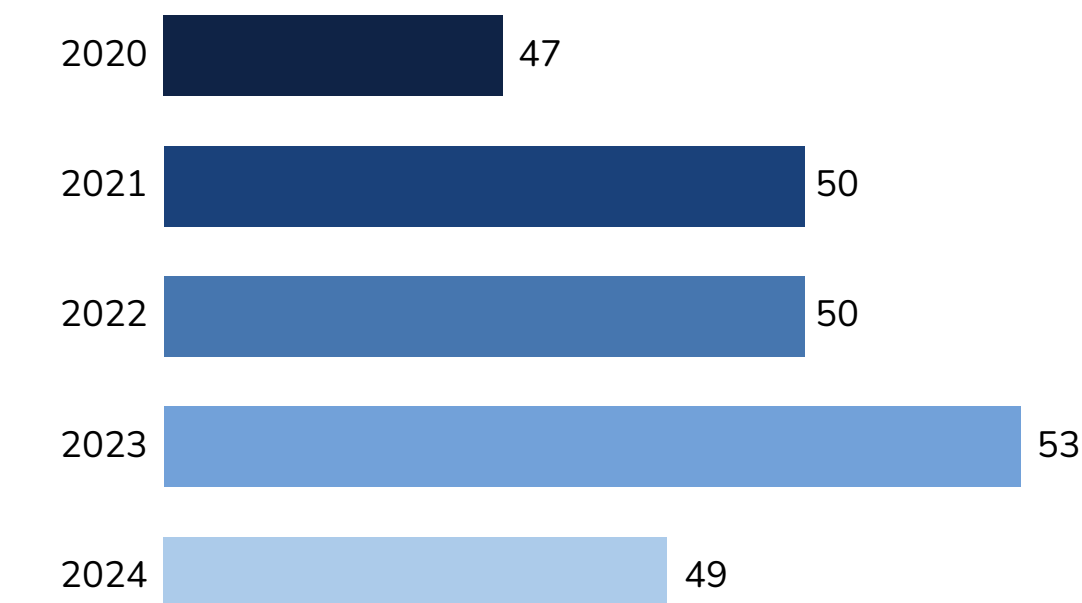
Percentage



21,884,398 boe. Ramiriqui asset was excluded from the calculation due to the lack of measurement data. The increase in energy intensity is associated with decreases in production volumes. Nevertheless, the implemented alternatives have allowed a reduction in total energy consumption and an increase in the use of renewable energies.

## Energy intensity

(kW/boe)



Power substation, Central Llanos

## Some of our energy efficiency initiatives:

### UPME Energy Efficiency Management Certificate



Under Resolution UPME 319 of 2022, the Mining and Energy Planning Unit (UPME) reviewed the information on the project for replacing Permanent Magnet Motors (PMMs) instead of induction motors for fluid lifting in the Caño Limón area. As a result, UPME granted us the Energy Efficiency Management Certificate for installing PMMs, achieving an estimated savings of 369 TJ/year for the entire project. This represents ~1.3% of the national energy consumption reduction target for the hydrocarbons sector, as outlined in the PAI PROURE (Rational and Efficient Energy Use Programme) for the 2022–2030 period. This recognition highlights our commitment to implementing high-impact projects that drive energy optimisation and efficiency across our operations.





Caño Limón area

## SUCCESS STORY

# Energy Management System implementation aligned with the NTC-ISO 50001 Standard in the Caño Limón area operation



Climate action



Caño Limón area operation



- Shareholders and investors
- Partner
- Senior Management (CEO, Board of Directors)
- Employees and community

## Project description and objectives

From the Asset Integrity Management Team, we decided to implement an Energy Management System (EMS) based on the NTC-ISO 50001:2019 standard in the operations of the Caño Limón area. This seeks to improve energy performance and contribute to sustainability with the following objectives:

- Contributing to carbon footprint reduction
- Optimise energy consumption per barrel of crude produced
- Optimise operating costs

With this Energy Management System, we contribute to energy efficiency for a sustainable future and demonstrate our leadership in the implementation of international standards that contribute to the energy reduction goals of the hydrocarbon sector, the country's carbon footprint reduction commitments, and the sustainable development goals.

We expect to achieve certification in this EMS in the first quarter of 2025 and reaffirm our commitment to the continuous improvement of energy performance in operations and to continue contributing to competitiveness and leadership in a context of energy transition.

## Achievements and results

- Establishment of an Energy Policy from our Management Team.

- Establishment of energy baseline and indicators to demonstrate improved energy performance.
- Internal audit with zero (0) non-conformities and excellent results to continue our certification process.
- Establishment of operational control methodology for oil-producing wells and injection systems.
- Creation of an energy efficiency culture that allowed achieving average annual savings of 11.8 MW of equivalent power.



Central Llanos





# Methane measurement and reduction strategy

The reduction of methane emissions is a key pillar in the decarbonisation strategy.

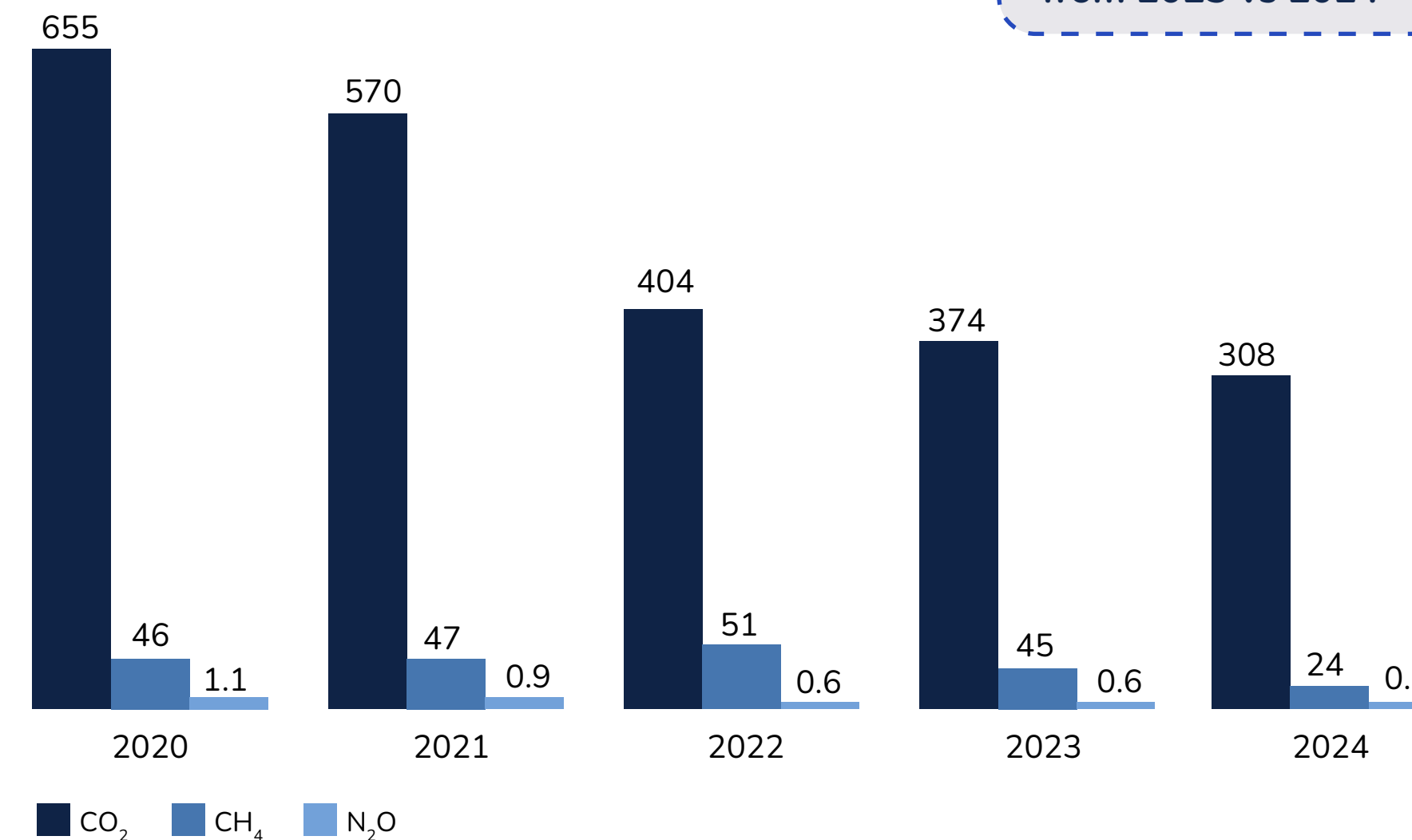
We designed and implemented different methodologies and technologies to correctly identify and quantify methane emissions given the technological limitations and inherent uncertainties of each method.

➤ **Use of OGI technology cameras to quantify fugitive emissions in operational areas to establish a baseline and validating with chromatograms and Aspen HYSYS simulations.**

➤ **Methane emissions were detected using spectrometers in airborne vehicles to conduct bottom-up and top-down measurements.**

➤ **All goose neck vents, and tank hatches were replaced with pressure and vacuum relief valves (PVVs), leading to a reduction of 14 ktCO<sub>2</sub>e on an annual basis in Central Llanos operations.**

**Gross greenhouse gas by gas type**  
Thousand metric tons CO<sub>2</sub>e



46% reduction methane emissions from 2023 vs 2024

In our first year of participation with the United Nations initiative through the Oil and Gas Methane Partnership (OGMP 2.0), we achieved a significant outcome by obtaining the **Gold Standard Pathway** rating. This accomplishment was possible due to our data reconciliation strategy in which we implemented advanced techniques to ensure the accuracy and reliability of our measurements as well as the immediate implementation of a mitigation programme. As part of our commitment, we have set an absolute target of 80% methane, reinforcing our

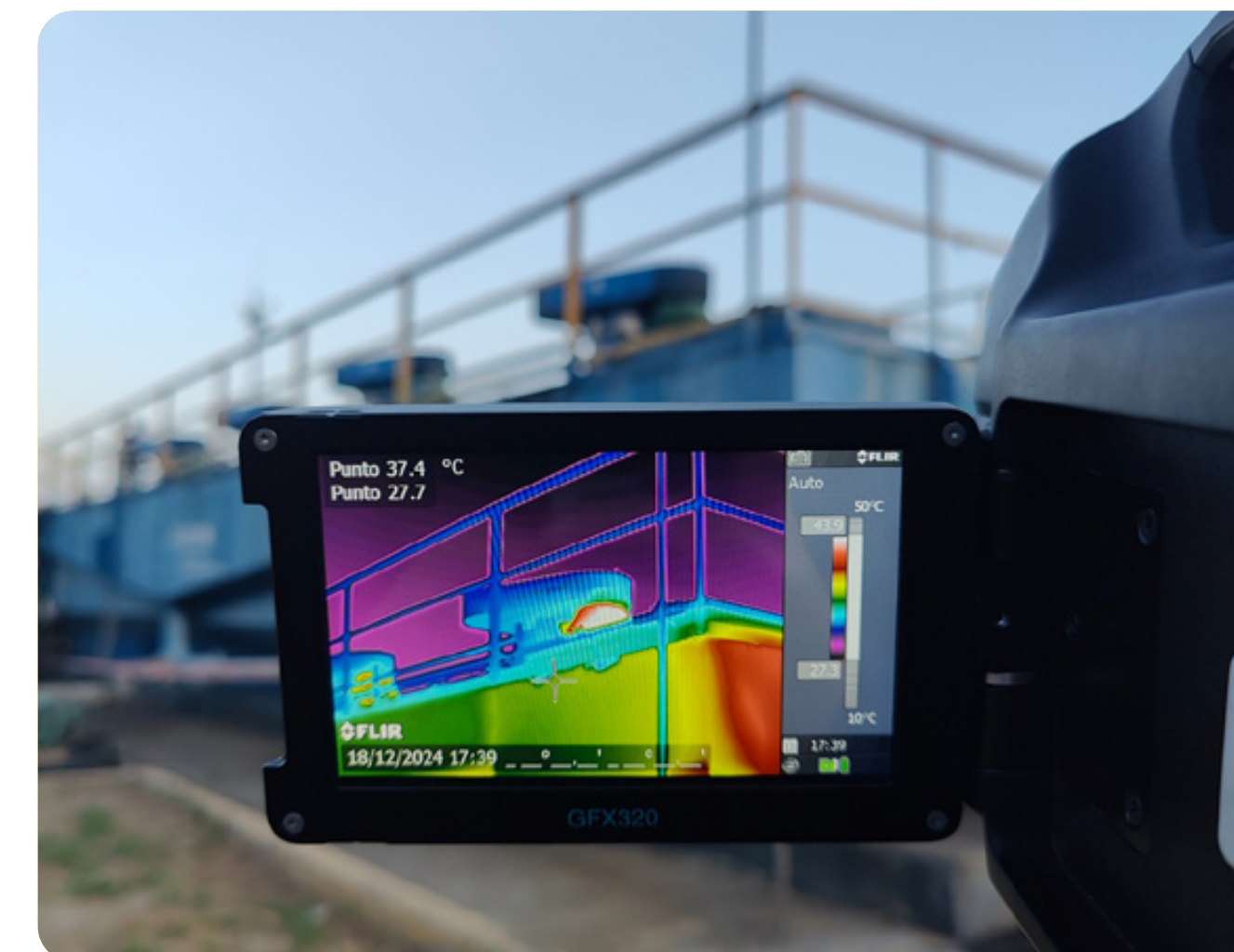
efforts to drive meaningful emissions reductions.

Additionally, our commitment and transparency in reducing methane emissions were recognised in the [fourth edition of the International Methane Emissions Observatory \(IMEO\) report 2024](#), published during COP29 in Azerbaijan and produced by UNEP (United Nations Environment Programme).

In the United Nations publication, we were recognised for our performance in transparency and planning:

➤ **“SierraCol Energy presented a first-class implementation plan among the companies of the first year with solid documentation of its methane reduction target and its mitigation plans. Additionally, they detailed the technologies and methodologies proposed to be used for source-level measurement and a clear and credible plan to achieve levels 4 and 5 of reporting on their material assets”.**

This recognition highlights not only our dedication to continuous improvement, but also our active role in the energy transition and the fight against climate change. We will continue working with the same determination to meet the highest sustainability standards and remain as a sector leader.



Bottom-up methane measurement, Caño Limón area





Juan Carlos López, Decarbonisation and water manager

## Our commitment to eliminating routine gas flaring

We are committed to reducing methane emissions, in alignment with the World Bank's goal of eliminating routine flaring of associated gas. In our operations, particularly in the Caño Limón area, we aim to eliminate routine flaring of associated gas by 2025. Throughout 2024, we have continued implementing alternatives for gas treatment and utilisation. As part of this effort and with the aim of reducing the volume of routine flaring, the capacity for electricity generation through gas utilisation was increased.

- **CPFI Facility (Caricare):** Routine associated gas flaring was eliminated where the medium gas stream (approximately 750k scfd) that was being flared was mixed with the high gas stream (approximately 2.5m scfd) through the installation of two compressor units (vapor recovered unit). This allowed the elimination of routine flaring and increased gas self-generation from 7.5 to 8.4 MW in this production facility that treats fluids from Cosecha and Rondón fields.

- **PF1 Facility:** Equipment operation for converting gas to fully stabilised liquids as part of the process to eliminate routine flaring of this gas stream has successfully started. Approximately 1.1 million scfd has been treated, recovering 245 barrels per day of fully stabilised hydrocarbons that are mixed with the daily production of the field. This initiative not only takes the first step towards eliminating routine flaring but has also reduced emissions from this source by 37%, decreasing the volume of gas sent to routine flaring by around 30%.
- **PF2 Facility:** The gas-to-liquids plant for routine flaring is under construction.

Once these two plants are operating correctly, an electric self-generation system will be installed in 2025 using the enriched gas (due to the elimination of long-chain hydrocarbons) and the remaining gas from the plants to eliminate routine flaring in the Caño Limón area.

Furthermore, despite the complexities of the gas market due to the lack of distribution networks, which limits delivery to virtual pipelines. We have initiated analysis and feasibility studies to sell residual gas to suppliers with nearby treatment plants. These initiatives support our goal of eliminating routine flaring while improving operational efficiency and reducing methane emissions.

## Climate risk preparedness and response

The management of climate change is a material issue for us and encompasses the assessment of climate-related risks and opportunities. This assessment is carried out in accordance with the principles and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), applying a cross-sectional approach that involves all operations and different operational areas.

Similarly, analysing the potential impact of climate change on our operations enables us to strengthen our capabilities to address the challenges of climate management and generate value for our stakeholders.

During the period, we continued developing activities in affluents management for flood prevention in the Caño Limón area. This commitment reflects how the integration of climate risk management reinforces our vision of building a resilient and sustainable business, in line with the development of mitigation and adaptation components.

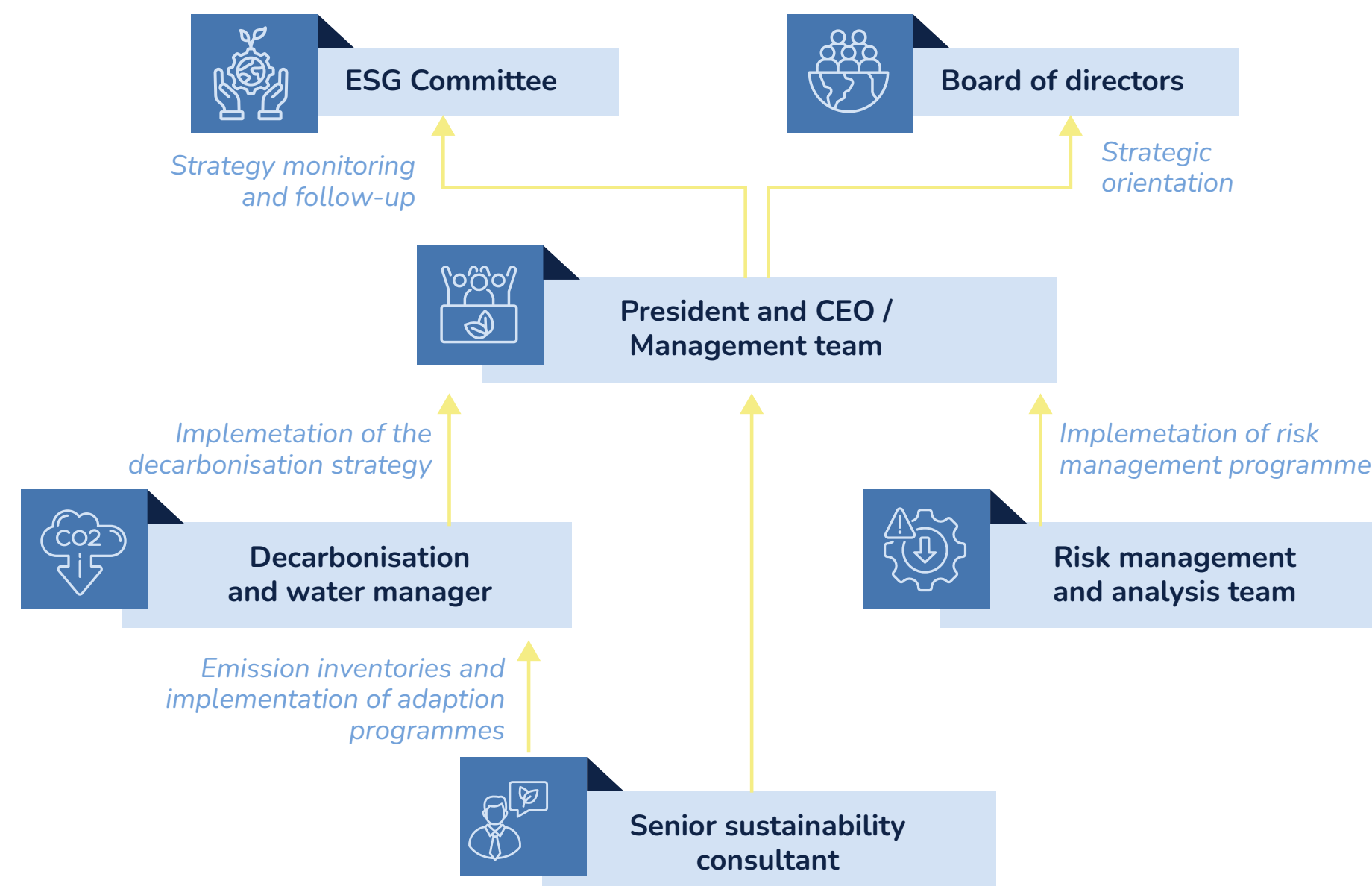


## Climate governance

Building capacities for climate change management is essential to adapt our strategy to uncertainties, expectations, and increased requirements related to climate issues. To improve decision-making, climate change governance is integrated into our corporate framework and our development strategy.

Climate change management starts with the Board of Directors, which oversees the management of climate risks and opportunities implemented by the management team and the involved operational areas. Additionally, to promote the development of mitigation and

adaptation opportunities to climate change, the areas involved in the projects provide relevant information in periodic meetings to the Board of Directors and the ESG Committee. This integration of different actors allows for the evaluation of impacts and progress regarding climate objectives, establishing an organisational culture committed to climate change management and the development of opportunities leading to a sustainable and resilient future.



## Climate strategy

The increase in regulations and established targets requires continuous evaluation of plans and initiatives we have set for emission reduction, enhancing adaptation capabilities, and leveraging opportunities to address uncertainties related to market changes and emerging regulations, among others. As part of this approach, we seek to strengthen the sustainability strategy by developing the pillars of the decarbonisation strategy.

In this regard, the implementation of mitigation projects carried out during the period has led to significant progress towards emission reduction targets and the establishment of more efficient operational practices. Our projects and activities are based on solid planning and management aimed at reducing emissions and building a resilient business. This approach demonstrates our environmental compliance objectives, achieving a positive long-term impact, and developing cost-effective opportunities that lead to the reduction of the potential impacts of climate events.

Furthermore, recognising the climate-related variables that can affect operations, allows us to incorporate physical and transition risks into our strategy through a participatory process that leads to the development of strategic responses to the challenges posed.






Caño Limón area



# Climate risks and opportunities

Assessing risks and opportunities is fundamental to our climate change management strategy as it facilitates the identification of alternatives and the proactive implementation of actions to strengthen operational resilience. This process is conducted through a structured and participatory assessment that allows for the identification and analysis of potential impacts from changes in external climatic variables by examining past events and the probability of future events, thereby addressing physical risks.

Likewise, energy transition variables and scenarios are considered in the analyses to take into account variables such as market trends or the implementation of new technologies that could directly influence our activities in the short and medium term, enabling an effective management of transition risks.

Physical risks		
Risk	Potential impacts	Mitigation measures and opportunities
 Floods	<ul style="list-style-type: none"><li>Impacts on infrastructure and associated cost increases</li><li>Interruption of operations and reduction in production volumes</li><li>Conflicts with communities in the area of influence</li></ul>	<ul style="list-style-type: none"><li>Analysis of adaptation capacities and flood zone areas</li><li>Monitoring and early warning systems</li><li>Implementation of works for effluent and drainage management</li></ul>
 Droughts	<ul style="list-style-type: none"><li>Reduction in the availability of surface water</li><li>Depletion of water bodies</li><li>Conflict with communities over access to water resources</li></ul>	<ul style="list-style-type: none"><li>Water resource management programme</li><li>Development plans with local communities</li></ul>
 Wildfires	<ul style="list-style-type: none"><li>Damage and loss of infrastructure</li><li>Reduction or loss of production volume</li></ul>	<ul style="list-style-type: none"><li>Construction and updating of risk management plans</li><li>Implementation of adaptation measures such as the construction of firebreaks around the operation perimeters</li></ul>

Transitional risks		
Risk	Potential impacts	Mitigation measures and opportunities
Emerging regulation in response to climate change	<ul style="list-style-type: none"><li>Increase in costs associated with the acquisition of low-carbon technology and equipment decommission</li><li>Reduction in business growth forecasts</li><li>Increase in carbon taxes</li><li>Increased technical and capital licensing requirements</li></ul>	<ul style="list-style-type: none"><li>Engagement with regulatory authorities and consultants to assess impact and meet requirements</li><li>Evaluation and implementation of mitigation alternatives</li><li>Decarbonisation strategy</li><li>Verification of the greenhouse gas (GHG) emissions inventory</li></ul>
Implementation of low-carbon technologies and energy transition	<ul style="list-style-type: none"><li>High costs associated with the implementation of low-emission technologies</li><li>Insufficient support for policies that promote emission reduction alternatives</li><li>Increased competition in the oil and gas and energy market</li><li>Impairment of assets and costs associated with unproductive assets that do not meet their useful life due to regulatory reasons</li></ul>	<ul style="list-style-type: none"><li>Implementation of cost-effective mitigation alternatives</li><li>Decarbonisation strategy</li><li>Transparency and disclosure of climate-related metrics, strategies, and targets</li></ul>
Changes in the demand for oil and gas	<ul style="list-style-type: none"><li>Decreased demand for oil and gas-related products</li><li>Increased costs associated with changes in the business model and limited diversification alternatives</li><li>Decreased access to capital for the development of new projects</li></ul>	<ul style="list-style-type: none"><li>Emissions reduction targets</li><li>Implementation of mitigation alternatives within the pillars of the decarbonisation strategy</li><li>Implementation of cost-effective alternatives</li><li>Risk and opportunity assessment</li></ul>
Increased expectations in climate change management and environmental compliance	<ul style="list-style-type: none"><li>Stigmatisation of operations by local communities</li><li>Increased investor demands on climate change management</li><li>Increased cost of capital based on climate change and environmental compliance</li></ul>	<ul style="list-style-type: none"><li>Emission reduction targets</li><li>Execution of projects through the works for taxes mechanism for local communities</li><li>Implementation of adaptation measures</li><li>Decarbonisation strategy and water management programme</li><li>Environmental planning and control</li></ul>





## Scenario analysis

Risk analysis conducted during different reporting periods has provided a greater understanding of the exposure and vulnerability of our assets, operations, and value chain, including the assessment of acquired assets in 2024.

We employ scenario analysis to understand risks and opportunities under different conditions to inform the scope of strategic planning and provide insights into the extent of the strategy. This process compares three scenarios aligned with the Shared Socioeconomic Pathways (SSP). While the second and third scenarios do not represent current perspectives or reflect our base view, they allow us to evaluate alternative trends to define potential challenges and opportunities.

Finally, the results of scenario analysis demonstrate how the short- and medium-term strategy on mitigation and adaptation topics enables us to respond adequately, positioning us strongly to face climate risks and opportunities, even with the increasing expectations around various climate change issues.

Climate scenarios	Sustainable development	Accelerated decarbonisation	Emissions increase
SSP	SSP2-4.5	SSP1-2.6	SSP5-8.5
TEMPERATURE	<ul style="list-style-type: none"><li>Arauca: +1.5 °C</li><li>Casanare: +1.3 °C</li><li>Meta: +0.3 °C</li></ul>	<ul style="list-style-type: none"><li>Arauca: -0.4 °C</li><li>Casanare: +0.2 °C</li><li>Meta: +1.3 °C</li></ul>	<ul style="list-style-type: none"><li>Arauca: +1.8 °C</li><li>Casanare: +1.6 °C</li><li>Meta: +1.5 °C</li></ul>
PRECIPITATION	<ul style="list-style-type: none"><li>Arauca: -3.5%</li><li>Casanare: -4.2%</li><li>Meta: -2.6%</li></ul>	<ul style="list-style-type: none"><li>Arauca: -0.8%</li><li>Casanare: -2.9%</li><li>Meta: -4.2%</li></ul>	<ul style="list-style-type: none"><li>Arauca: -4.8%</li><li>Casanare: -2.9%</li><li>Meta: -0.8%</li></ul>
POLICIES	Policies that promote the implementation of new energy sources, energy efficiency projects, and clean energies	The production and use of clean energies are promoted, in addition to hydrogen, biogas, and CCUS (Carbon Capture, Utilisation, and Storage) projects	Introduction of moderate policies regarding climate change, the most important thing is to ensure the competitiveness and reliability of the energy matrix
NDC	51% emissions reduction by 2030	75% emissions reduction by 2030	15% emissions reduction by 2030
MITIGATION ALTERNATIVES	<ul style="list-style-type: none"><li>Replacement of self-generation with lower-emission energy</li><li>Energy efficiency programme</li><li>Elimination of routine flaring</li><li>Mitigation of fugitive emissions</li><li>Battery energy storage systems</li></ul>	<ul style="list-style-type: none"><li>Replacement of self-generation with lower-emission energy</li><li>Energy efficiency programme</li><li>Elimination of routine flaring</li><li>Mitigation of fugitive emissions</li><li>Battery energy storage systems</li><li>Solar energy</li><li>Carbon capture</li></ul>	<ul style="list-style-type: none"><li>Replacement of self-generation with lower-emission energy</li><li>Energy efficiency programme</li></ul>

## Climate risk management

The analysis of climate risks is a collaborative process that actively involves different operational areas with the aim of understanding the potential impacts arising from their materialisation. We adopt a comprehensive approach to managing climate risks by integrating them into our process risk programme. This provides a holistic vision that not only evaluates risks but also drives the assessment and implementation of adaptation measures and the updating of risk management plans in each of the operations.

## Metrics and targets

Metrics, indicators, pillars, and objectives of our climate change strategy can be found in the Climate Action section on pages 12 to 20 of this report.



Central Llanos





# Action for the planet

Water withdrawal

**128,423**  
megalitres

Water intensity\*

**171.4**  
m<sup>3</sup>/US \$ million

Waste generation

**14,468**  
ton

Utilisation rate of the total conventional waste generated in our operations in the Caño Limón area

**40%**

Conservation agreements

**17**

Restoration actions of

**202.6**  
hectares

| *Ara chloropterus*, Caño Limón area

\* Water intensity per revenue is calculated using the net water consumed (total water withdrawn minus discharged, excluding produced water) as the numerator . This approach aligns with GRI and SASB standards, providing a more accurate reflection of our operational water use and its environmental impact. Our water intensity values from 2020 to 2023 are 421 (solely represents the water consumption of the Caño Limón area), 284, 171, and 313.6 m<sup>3</sup>/US million respectively.





# Action for the planet

## Our commitment to environmental protection

At SierraCol Energy, we recognise the importance of protecting natural resources, the environment, biodiversity, habitats, and ecosystem services. To this end, we apply best practices based on the mitigation hierarchy that prioritise avoiding the impact of our operations on neighbouring ecosystems and when this is not possible, we proceed to mitigate and/or compensate for the potential adverse effects.

Our environmental strategy is based on five pillars whose objectives are focused on making our operations viable in an efficient, respectful, and sustainable manner. We achieve these objectives through proper planning, integrating environmental management into our corporate strategy, and collaborating with local communities.



### Integrated water management

- Water quality
- Water efficiency
- Access to water and sanitation for communities
- Research and development



### Biodiversity protection

- Contributing to “nature positive”
- Knowledge management
- Community participation
- Mitigation hierarchy



### Circular economy

- Maintain products and materials in use
- Planning to prevent waste generation and contamination
- Recovery and regeneration of materials



### Environmental planning and control

- Feasibility of new projects
- Monitoring, supervision and control of licences and permits



### Socio-environmental management

- Access to information
- Public participation
- Environmental education



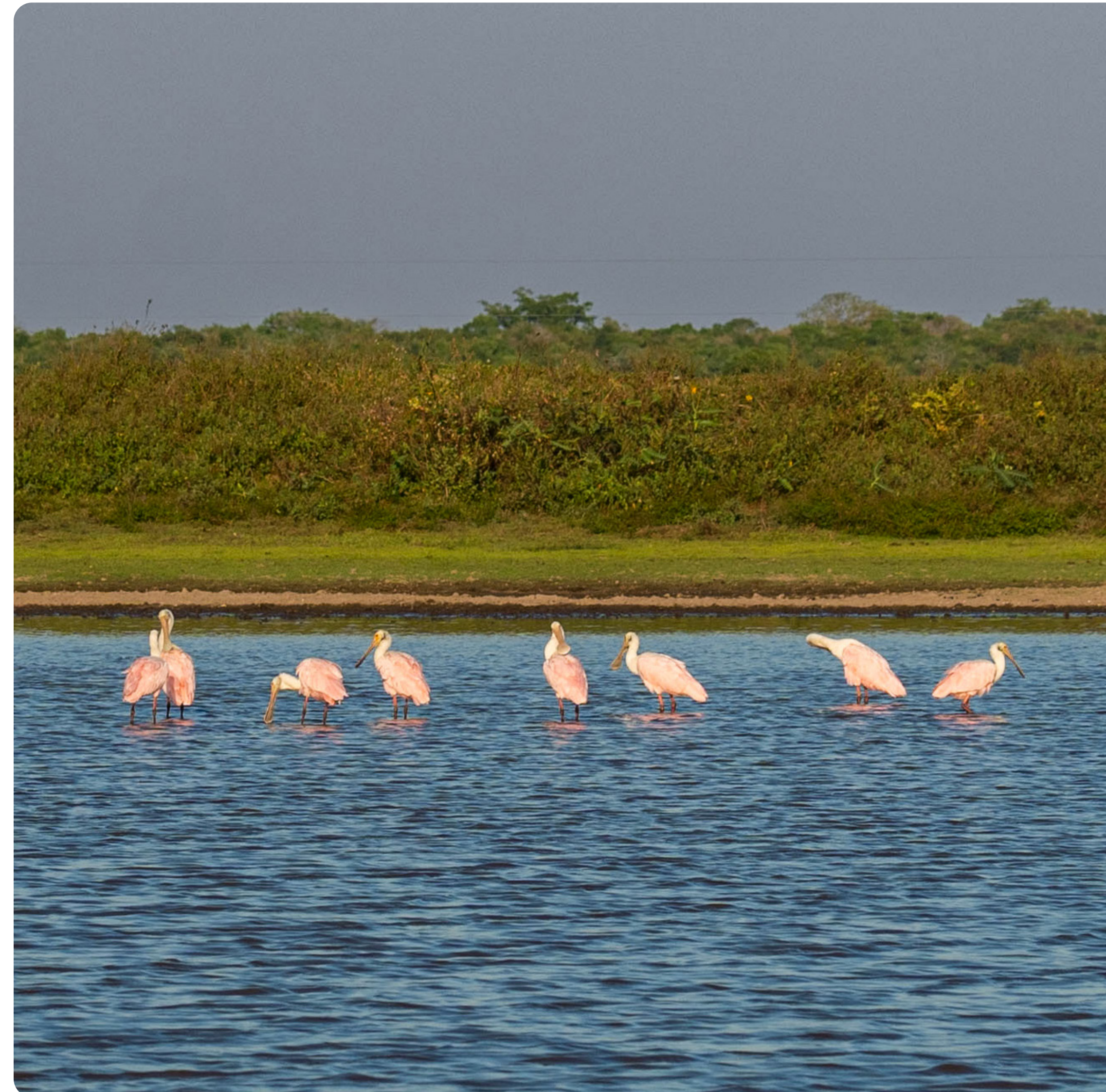


# Efficient and sustainable water management

The management of water resources is essential for the sustainable development of our operations and the protection of the environment in a way that preserves ecosystem services.

Our approach focuses on the efficient use of water and its proper final disposal, as well as the implementation of measures to ensure a positive and sustainable impact on the water resource. This ongoing effort requires maintaining high water quality standards through continuous improvement of treatment systems, water recirculation to reduce consumption from natural sources, and the study and monitoring of hydrology in the areas where we operate. We define our water management objectives in line with industry best practices, aligning with the country's development plan and the Sustainable Development Goals (SDGs).

**Most of the water we use in our operations for industrial, domestic, and emergency purposes is drawn from underground sources and the recirculation of treated water, which alleviates pressure on water basins. We do not withdraw water from the sea, surface water sources, nor through third parties.**



Platalea común, Casanare

## Water stewardship

We have implemented various technologies and water conservation practices, including the recycling and reuse of wastewater, the optimisation of water use in industrial processes, and significant investment in order to maintain continuous improvement in the infrastructure for water treatment. Additionally, we recognise the importance of participating in collaborative efforts with local communities, governmental bodies, and non-governmental organisations to address water-related challenges. These partnerships are often aimed at protect watersheds, restore degraded ecosystems, and promote sustainable water management practices.

With the aim of achieving a net positive impact on water, we carry out a comprehensive risk assessment that considers issues of accessibility, availability, and quality, with the constant support of authorities and local communities. These entities act as guarantors of the proper management of water resources and actively participate in the supervision of water discharged into surface sources. In addition to direct interventions, we encourage our suppliers to adopt efficient water usage practices and to establish strict standards for the use of this resource.



## Integral water management strategy



Water quality

We ensure that discharged water complies with the parameters established by environmental regulations through rigorous treatment processes, many of them even below the detection limits of analytical techniques, going beyond what is required by law, thus protecting aquatic ecosystems and the health of neighbouring communities.

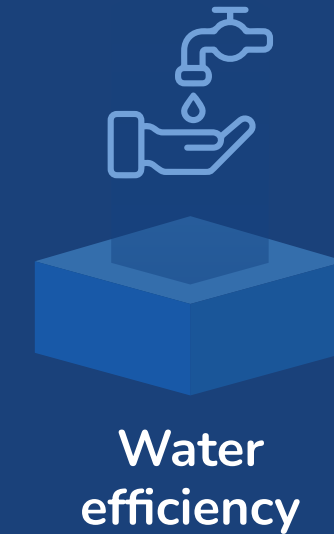
**Improvement in the chemical dosing process:** Throughout 2023 and 2024, we optimised the chemical dosing process to enhance oil removal. We also identified technological improvements in chemical treatment equipment, which will be implemented in 2025.

**Improvement in oil removal in flotation cells:** Pilot tests of two alternative technologies—microbubbles and ionic degradation—were conducted to enhance oil-water separation. The tests revealed that the existing technology is as efficient as the new ones. However, to maintain this efficiency, increased automation of the flotation cells is necessary. This improvement will be implemented in 2025.

**Increase in pumping capacity towards PF2 cooling pools:** The installation of an additional pumping system of 240 kwspd was proposed and implemented, which increased the system's reliability.

**Recirculating and treating 80 m<sup>3</sup>/d of non-domestic wastewater for use in industrial activities:** In 2024, we identified various industrial activities using natural water sources, such as cleaning and maintaining process equipment. These activities consume over 80 m<sup>3</sup>/day of fresh water, which can be replaced by treated non-domestic wastewater. To promote wastewater reuse and monitoring, we began adapting our systems to enhance the collection and measurement of recycled wastewater. Additionally, we obtained an evaluation from Bureau Veritas of the non-domestic wastewater treatment system regarding compliance with regulations and the excellence of the treatment. The result was full compliance with only minimal recommended actions.

In 2025, improvements in the automation of chemical dosing and flotation cells, and an aeration system at the PF1 facility will be implemented to maintain the highest standards in discharge quality. Additionally, the project to optimise the waterproofing of the treatment ponds at PF1 and PF2 will continue, with completion expected in 2026.



Water efficiency

We have implemented efficient water use and conservation programmes aimed at optimising the utilisation of water resources, preventing waste, and recycling a portion of the non-domestic wastewater generated by our operations to be used in the emergency programme, industrial uses, and construction activities.

During 2024, we achieved that 70% of the water consumption required in construction activities and facilities, i.e., approximately 60m<sup>3</sup>/d, was supplied with the water produced at the facility, associated with hydrocarbon production. The predominant activities where this water was used were road and well platform maintenance.

For 2025, we expect to further increase the percentage of water recirculated from non-domestic wastewater generated at the PF1 and PF2 facilities for construction activities and fire testing in Caño Limón area.



Water access and sanitation for communities

We have various initiatives that facilitate access to drinking water and basic sanitation for the communities in the areas where we operate.

During 2024, under the “Works for Taxes” mechanism, we evaluated, approved, and initiated the construction of 127 sanitary units and 72 individual water purification plants in Arauquita. Additionally, we obtained construction approval from the Ministry of Housing, City and Territory for 187 new drinking water treatment plants and 133 sanitation units in the communities of Arauca and Arauquita.

For 2025, we will materialise the construction and delivery of the 127 sanitary units and 72 individual water purification plants, and we will continue participating in national competitions for budget allocation under the Works for Taxes mechanism.

Finally, we will manage the knowledge about water in the area of influence of the operations in the Caño Limón area concerning the dynamics of rivers and water bodies through the organisation of a forum on the fluvial dynamics of the Arauca River.





### Research and development

We have established a robust research and development (R&D) programme aimed at innovating techniques and technologies that promote sustainable water use and environmental protection. With the objective of continuously improving fluid treatment at the facilities and striving for operational excellence, we have proposed and developed tests with different technologies at various points in the process. For example, from the perspective of chemical treatment, we have been using chemicals with nanotechnology that improve the separation of oil and water. Furthermore, we have developed computational fluid dynamics studies to design projects that improve the separation process at the final stage of water treatment.



Hydrochoerus hydrochaeris, Caño Limón area

## Measuring our impact

During 2024, we evaluated the Water Footprint methodology with a specialised third party, which includes the constant assessment of water extraction and use, and its impact on local water resources. The data obtained allows us to implement effective strategies to reduce our footprint and optimise the use of the resource, as the measurement was conducted under approved methodologies (ISO 14046 and Water Footprint Network). This enabled us to identify actions that can be implemented to reduce the consumption of groundwater from superficial wells (less than 30 metres deep).

Additionally, the contribution of positive water to the ecosystem was identified by providing fresh water of excellent quality to the regional water system (approximately 2MM barrels of water per day), demonstrating our genuine interest in reducing water intake consumption and adequately treating disposed water.

On the other hand, we use the GEMI Local Water Tool™ to identify and assess water-related risks. This tool allows us to comprehensively analyse potential impacts and proactively manage water resources, thereby ensuring sustainability and compliance with our environmental goals.

In 2024, the results of the water management programme enabled us to

reduce the volumes of water produced in Caño Limón area fields for the first time in five years. This achievement is attributed to the implementation of new technologies for identifying and isolating water-producing zones through workover operations in active wells and optimising drainage points in the reservoir, which allowed us to produce oil volumes more efficiently.



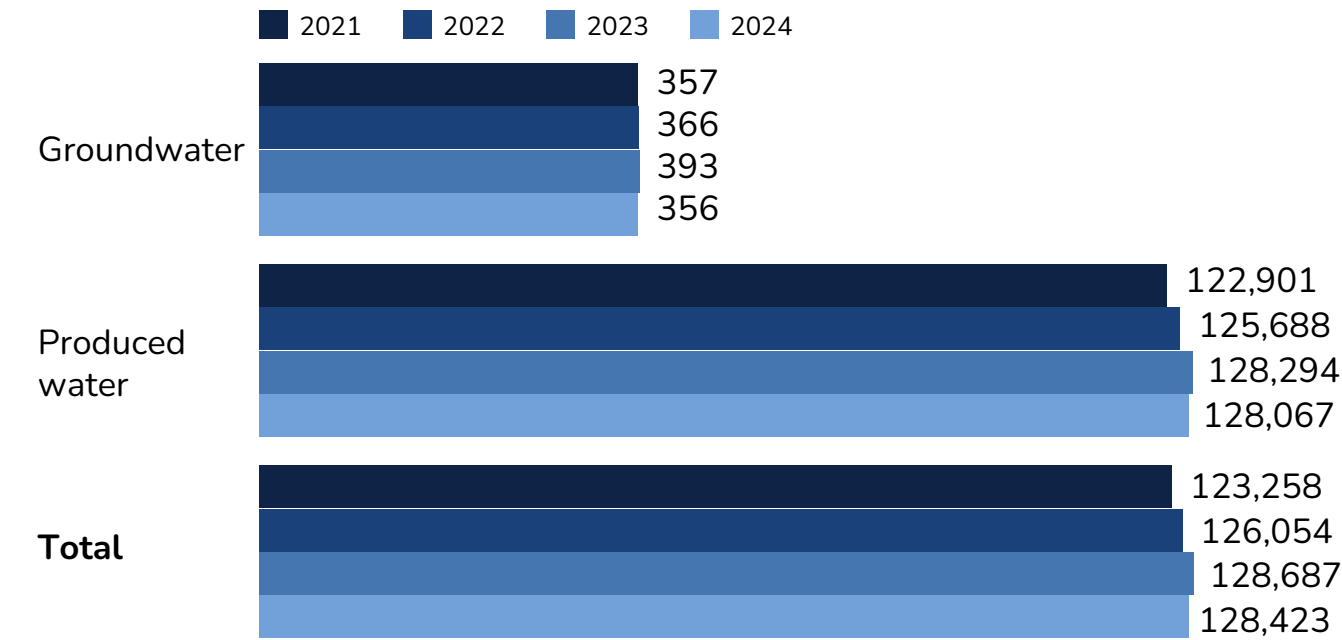
Cravo Sur river, Casanare





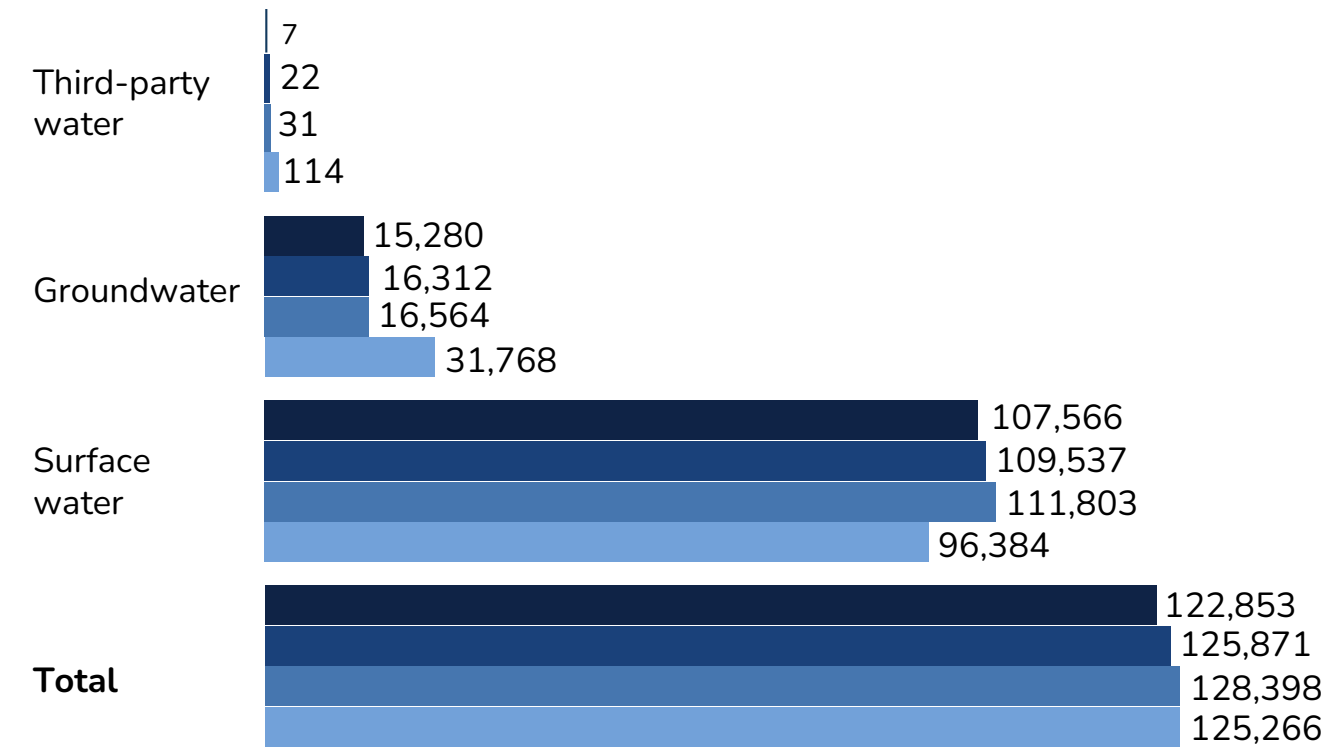
## Water withdrawal by source

Megalitres / year



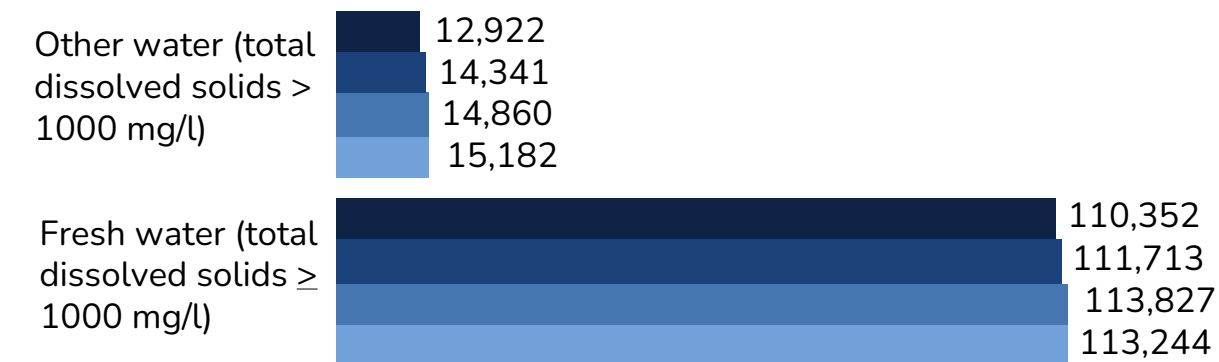
## Water withdrawal per quality parameters

Megalitres / year



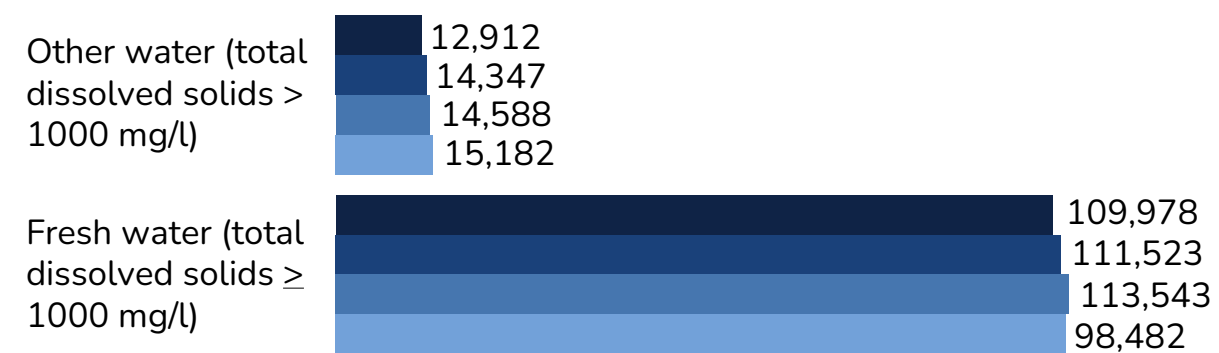
## Water discharge by destination

Megalitres / year



## Water discharge by quality parameters

Megalitres / year



Water protection regulations are strictly adhered to at every stage of our operations. We do not operate in areas with water stress, as identified by tools such as the WWF Water Risk Filter and the WRI Aqueduct Water Risk

Atlas. These tools help us identify regions where water scarcity poses significant risks, ensuring our operations remain sustainable and environmentally responsible.



Caño Limón area





Penelope purpurascens, photo-trapping register, Campo alegre, Paz de Ariporo, Casanare

## SUCCESS STORY

# A refuge for life: 90 hectares protect the water resource of Paz de Ariporo



Action for the planet



Paz de Ariporo, Casanare



- Fauna and flora
- Community members
- Government

## Project description and objectives

We have acquired and donated a 90-hectare property to the Municipality of Paz de Ariporo, located in the foothills of the Llanos. This land is crucial for the protection of the municipality's vital water resources, contributing to the regulation of the water cycle and water quality.

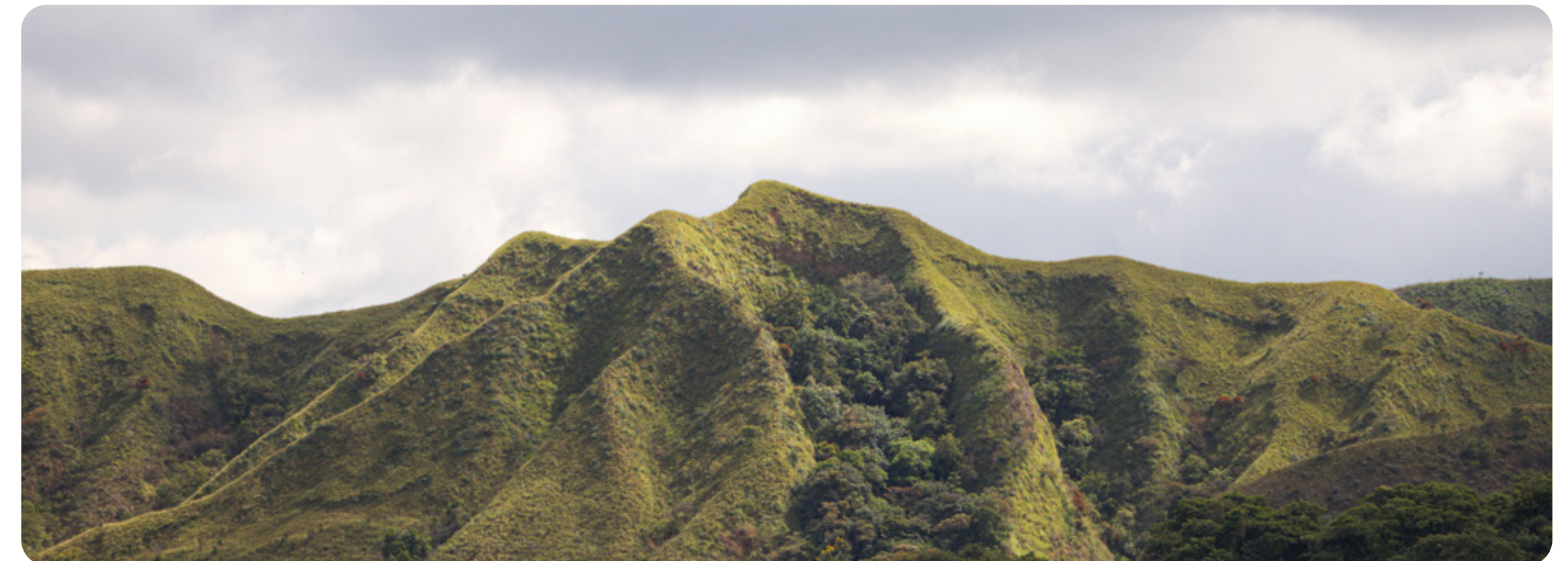
The protected area hosts a rich biodiversity and safeguards the watershed of the La Honda stream, ensuring the well-being of the local community. The initiative also opens opportunities for sustainable development, including ecotourism and environmental education.

Collaboration with the Municipality of Paz de Ariporo is essential to ensure the conservation of this strategic area. This project reflects our commitment to sustainability and corporate

responsibility, highlighting the importance of environmental protection and community development.

## Achievements and results

- Acquisition of a 90-hectares area to promote the protection of vital water resources for the municipality.
- Environmental benefits include regulation of the water cycle, protection of water quality, and conservation of biodiversity (flora and fauna).
- Community well-being is ensured by preserving the La Honda stream and creating opportunities for sustainable development such as ecotourism and environmental education.
- Partnership with the municipality of Paz de Ariporo.



Area, Campo Alegre, Paz de Ariporo, Casanare



# Responsible approach to biodiversity: Results of our management

At SierraCol Energy, we are committed to the conservation of biodiversity and the protection of ecosystems in our operations.

Our operations are conducted under strict environmental guidelines, ensuring that we do not operate in protected areas such as National Natural Parks, RAMSAR wetlands, biosphere reserves, World Heritage sites, or páramo ecosystems.

As part of our environmental licensing process, we identify and assess environmental impacts for each operation. This allowed us to establish specific management measures aimed at preventing, minimising, correcting, and compensating for potential environmental impacts (mitigation hierarchy), which we strictly monitor and follow up on to ensure compliance during the stages of each project.

Our Biodiversity Management Programme (BMP) aims to contribute to a “nature positive”, generate knowledge, promote community participation, and apply the mitigation hierarchy in decision-making. Among the most notable achievements, as a principle of the programme, are:



## 1 Contribute to Nature Positive

Rehabilitation of areas at all operations:

Area	Agree-ments before 2024	Agree-ments signed in the period	Active resto-ration	Passive resto-ration	Land purcha-se
Caño Limón area	13	14	0	110 ha	0 ha
Central Llanos	4	3	28.8 ha	33.8 ha	7,238.4 ha
La Cira Infantas	0	0	30 ha	0 ha	0 ha
Total	17	17	58.8 ha	143.8 ha	7,238.4 ha

In 2024, we carried out restoration actions for 202.6 hectares and conservation actions for 292 hectares, purchased properties for the conservation of 7,238.4 hectares, and signed a total of 17 new agreements with communities to conserve environmental strategic areas.

**Corporate Conservation Area Roadmap:** In 2023, we initiated the roadmap for the creation of the “Corporate Conservation Area” within the Caño Limón area, completing it in 2024. This initiative encompasses an initial area of 223.29 hectares under the framework of easements. To achieve this, we conducted comprehensive studies to characterise natural vegetation and wildlife, alongside monitoring through soundscape analysis, connectivity assessments, stakeholder identification and potential governance mechanisms. Additionally, we identified plant species with potential bioeconomic value. These studies revealed the presence of 121 fauna species and 71 flora species. Furthermore, an ethnobotanical workshop was conducted with the community, prioritising eight plants with potential economic benefits.

In 2025, we aim to define the governance mechanisms for the Corporate Conservation Area, ensuring the maintenance of fencing and surveillance for conservation purposes. Subsequently, we will explore strategies to connect this area with forest remnants, enhance ecological connectivity, and preserve the region’s natural vegetation cover.



## 2 Knowledge Management

**Project Protecting Jaguars Together:** We implemented a project in collaboration with the Orinoquía Biodiversa Foundation and Corporinoquia, aimed at protecting this specie in the area near our operations in Arauca. The project description is featured in one of the highlighted stories in this section.

At SierraCol Energy, we work together with communities, environmental organisations, and authorities, creating a balance between the development of our activities and the preservation of the natural environment. In 2024, we successfully avoided the use of approximately 82 hectares in our drilling campaign by utilising existing infrastructure.



## 3 Community participation

**Payment for environmental services through Works for Taxes mechanism:** This initiative aims at the recovery of Lipa Swamp. The project includes annual payments to 22 landowners who demonstrate the implementation of established conservation actions. Covering an area of 96 hectares, the project was approved to be developed through the Works for Taxes mechanism, starting at the end of 2024 and lasting for three years. In addition to the recovery of the areas, a series of training sessions will be provided to landowners on biodiversity conservation and its ecosystem services, the development of land plans and capacity building in sustainable livestock practices.



## 4 Mitigation Hierarchy

**Infrastructure footprint:** In 2024, we successfully avoided the use of natural coverings in construction and drilling activities across all our operations. This year, we drilled 8 wells in the Caño Limón and Central Llanos operational areas without impacting any natura coverings by utilising existing platforms and rights-of-way, thereby preventing a potential intervention of approximately 15 hectares. For La Cira Infantas, 69 wells were drilled, and 4 platforms were constructed using 2 hectares of vegetative coverings, indicating that most interventions were through existing infrastructure. We estimate a reduction of potential intervention by approximately 67 hectares.



Cebus sp., Caño Limón area







*Dendrocygna autumnalis*, Casanare

Additionally, we utilise environmental impact studies and follow-up information to apply the LEAP methodology in our Taskforce on Nature-related Financial Disclosures (TNFD) exercise for the Caño Limón area and in the ongoing exercise for Central Llanos. This approach has enabled us to identify impacts and dependencies, evaluate risks, and focus on opportunities related to nature. Furthermore, we have developed a Nature Action Plan, which has been implemented throughout 2024 for the Caño Limón area and is currently being developed for the Central Llanos operations.

The most important results we have obtained from the TNFD Nature Action Plan for the Caño Limón area are as follows:

**1. Assessment of the historical results from monitoring important water bodies:** Over the past 20 years, we have evaluated around 50 parameters for 78 monitoring points distributed across our projects in Arauca, which equates to analysing about 6,000 data points annually. The historical analysis of the data obtained demonstrates that under our environmental control, the parameters assessed have consistently remained within the limits established by environmental regulations and often below the detection limit (around 30% of the parameters each year). These results allow us to demonstrate that the activities carried out in our Caño Limón operations do not alter the natural conditions of the water bodies, evidencing the sustainability of our operations and the maintenance of the area's ecosystem dynamics.

**2. Mitigation of impact on biodiversity:** We strive to mitigate the impact on biodiversity by reducing the use of natural coverings and carry out activities on existing platforms or rights-of-way.

**3. Conservation agreements with communities:** In 2024, we signed 10 conservation agreements with communities related to agroforestry systems covering 50 hectares.

#### 4. Rehabilitation of hectares:

- For passive rehabilitation: We initiated the isolation of 40.7 hectares for the biodiversity islands project as environmental compensation.
- For active rehabilitation: We began the establishment processes for 19.74 hectares

#### 5. Publicly sharing the produced information:

We developed a communication plan for biodiversity-related topics, specifically those of the TNFD, disseminating these advances on social media, with the VECINOS programme, and internal channels.

#### 6. Alignment with global biodiversity goals:

- We participated in the hydrocarbons sector working groups to define indicators and provide feedback on the sector-specific TNFD guide.
- We contributed to the development of the corporate biodiversity roadmap to align the private sector with the 23 global biodiversity goals and the state in its National

Biodiversity Strategy and Action Plan (NBSAP).

➤ *This year, we participated in the United Nations Conference on Biodiversity (COP16) in Cali, Colombia, which enabled us to strengthen our Biodiversity Management Programme by aligning it with national goals and global biodiversity perspectives.*

➤ *Through our participation, we gained insights into the outcomes of the negotiations on the 23 goals of the Convention on Biological Diversity at COP15. We attended the presentation and socialisation of the National Biodiversity Action Plan 2030 to understand how we can contribute to achieving the goals and commitments undertaken by the country.*

➤ *We showcased to the public one of our flagship projects, "Protecting the Jaguar Together," demonstrating our commitment to biodiversity conservation and our active role in protecting endangered species.*

➤ *The private sector, led by the National Business Association (ANDI for its acronym in Spanish), presented the Biodiversity and Business Roadmap, in which we played an active role in its creation.*







## SUCCESS STORY

# Protecting Jaguars Together



Action for the planet



Arauca and Arauquita



**Community** Community Action Boards, families, students

**Foundations** Orinoquía Biodiversa Foundation (FOB)

**Government** Corporinoquia

**Partners** Ecopetrol

## Project description and objectives

As part of the activities carried out under the knowledge management principle, we initiated the project “Protecting the Jaguar Together” at the end of 2023 in collaboration with the Orinoquía Biodiversa Foundation (FOB). This initiative aimed to diagnose the human-feline conflict, conduct environmental awareness activities to promote coexistence between humans and jaguars in the municipalities of Arauquita and Arauca, and develop practical actions to mitigate the conflict.

## Achievements and results

- In collaboration with the community and property owners, 41 camera traps were installed to record the wildlife in the area, and 17 interviews were conducted to understand the community’s perception of the conflict.
- The results from the camera traps highlighted mammals as the most representative group, accounting for 54% of the total records, allowing the detection of species such as the jaguar, tapir, and anteater, which are of significant ecological importance. Additionally, the white-tailed deer, ocelot, and the helmeted curassow were detected, contributing to the conservation and protection of ecosystems. Furthermore, four individual jaguar sightings were recorded, establishing the region as a strategic area where efforts must continue

to understand the territorial dynamics of this feline and its relationship with human activities that shape the landscape.

- Five workshops were conducted (three for adults and two for educational centres) discussing the biology and behaviour of this species, as well as strategies to minimise negative interactions due to the predation of domestic animals.
- A total of 46 kits were delivered to different families to mitigate potential conflict events. The kits included items such as bells, reflectors, whistles, informative signs for properties, and infographics with recommendations.
- A total of 35,500 photographs were analysed, and 4,155 events related to wildlife were recorded, identifying 41 species including the jaguar, jaguarundi, ocelot, puma, tapir, and anteater.
- The project has highlighted that the conservation of the species is a national challenge requiring the commitment of local, institutional, and private actors to safeguard the species and its remaining habitat in the national territory.



Protecting jaguars together project







*Bubo virginianus nacarutu*, Meta | Photo by: Rodrigo Durán Bahamón

## SUCCESS STORY

# Serranía de Manacacías National Natural Park



Action for the planet



Serranía de Manacacías National Natural Park



- Fauna and flora  
- Government

## Project description and objectives

The Serranía de Manacacías National Natural Park, located in the department of Meta, covers 68,030 hectares and is the most recently declared park by the National Government. The main objective of this project is to conserve the tropical seasonal savanna ecosystems, which are underrepresented in Colombia's National System of Protected Areas (SINAP).

Thanks to the 1% investment and environmental compensation for the production activities of the Caracara field, we acquired and donated hectares to the park during the last quarter of 2024.



Serranía de Manacacías National Natural Park | Photo by: Rodrigo Durán Bahamón

## Achievements and results

- Together with Patrimonio Natural and Parques Nacionales Naturales, we managed the purchase of 7,097 hectares that were donated to the Serranía de Manacacías National Natural Park.
- Protection of 12 strategic ecosystems including tropical seasonal savannas, tropical gallery forests, wetlands, grasslands, scrublands, herbaceous plants, and water bodies, as well as the identified species of flora and fauna (Flowering plants: 1,093 species; birds: 454 species; butterflies: 106 species; mammals: 52 species; fish: 56 species; amphibians: 18 species; reptiles: 12 species).



# Reduce, Reuse, Recycle: Our commitment to circular economy

**Responsible waste management and the efficient use of natural resources are the main focal points of our environmental sustainability programmes.**

At SierraCol Energy, we conduct our operations within the framework of circular economy principles to reduce, maintain, and recover materials at all stages of the value chain. A key objective of our management is to significantly minimise landfill use, ensuring minimal waste disposal.



We have implemented our circular economy programme, enabling us to achieve accessible, reliable, resilient, and sustainable business development.

We identified four lines of action: water, emissions and energy, materials, and social. Based on these areas of interest, we initiated the second phase of our initial diagnosis in 2024. The objective of this phase is to evaluate the maturity level of our circularity, define relevant indicators, and identify new initiatives to improve the programme. This diagnosis is currently underway and is expected to be completed in the first quarter of 2025.

## Circular economy actions



### Local markets

We procured over 63.5 tonnes of local agricultural products thereby bolstering local businesses and mitigating emissions associated with the transportation of food previously sourced from other cities.



### Utilisation of organic material

In partnership with a local company (SACOO), we are recycling all organic waste from restaurants in the field through composting processes. Consequently, 112.7 tonnes of organic waste have been recycled.



### Reutilisation and recycling of Waste Electrical and Electronic Equipment ("WEEE")

In 2024, approximately 10 tonnes of WEEE were recycled by separating ferrous, non-ferrous and plastic elements, preventing their final disposal in landfills.



### Recycling of conventional waste and High-Density Polyethylene ("HDPE")

By 2024, we recycled around 6 tonnes of recyclable material. Additionally, together with our partners, we transported, washed, shredded and sold the casing for recycling. To date, more than 39 tonnes have been recycled.



### Recycling of conventional waste and casing caps

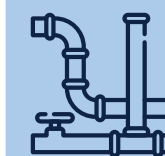
With the support of local associations in Arauca, we recycled approximately 3.1 tonnes of conventional waste such as cardboard, plastic, and paper. Additionally, other plastic waste such as casing caps (High-Density Polyethylene) was transformed through washing, shredding, and extrusion to be re-incorporated into the production of other products. A total of 15.64 tonnes of casing was utilised this year. Since the project began in 2021, we have accumulated approximately 58 tonnes.



### Recycling of scrap copper, ferrous materials, and pipelines

These types of waste have been efficiently recycled through partnerships with steel mills. These factories reintegrate the recycled materials into their processes and value chains, ensuring that valuable resources are reused rather than discarded.

- Ferrous materials: 1,041.72 tonnes.
- Copper: 173 tonnes.
- Oil pipelines: 2,800 tonnes.



### Reconditioned pipes

As part of our commitment to circularity, this is the second year developing the pipe re-manufacturing project which involves cutting the old thread of the drilling pipes, manufacturing a new thread, and reusing the pipes in new operations. This allows us to avoid purchasing new pipes, reduce the use of virgin material, and keep existing materials in use. In 2024, we reconditioned 3,813 units out of a total of 3,834 units. In other words, we reused 99.45% of pipes for our campaigns, a great example of circular economy being implemented in the industry.





### WASTE DIVERTED FROM DISPOSAL (kg)

Hazardous waste diverted from disposal	Preparation for reuse	42,310
	Recycling	13,042
	Other recovery operations	25,679.9
Total		81,031.9
Non-hazardous waste diverted from disposal	Preparation for reuse	865
	Recycling	136,361.1
	Other recovery operations	0
Total		137,226.1

**Total weight of waste diverted from disposal** **218,258**

### WASTE DIRECTED TO DISPOSAL (kg)

Hazardous waste diverted from disposal	Incineration	41,152
	Landfilling	56,697.8
	Other disposal operations	13,821,715.4
Total		13,920,828.2
Non-hazardous waste diverted from disposal	Incineration	600
	Landfilling	286,501.1
	Other disposal operations	41,352
Total		328,453.1

**Total weight of waste directed to disposal** **14,249,281.3**

**Total weight of waste generated** **14,467,539.3**



Landfill, Caño Limón area

**This year we achieved a 40% utilisation rate of the total conventional waste generated in our operations in the Caño Limón area, surpassing our 25% target set a year ago.**

**For 2025, we have set a target to utilise 30% of the waste generated across all our operations and aim to undertake a project for the thermal recovery of hazardous waste internally managed at Caño Limón; thereby avoiding the disposal of approximately 25 tonnes in the landfill.**

## Managing a dynamic regulatory environment: Environmental planning and monitoring

At SierraCol Energy, we adopt a holistic approach to minimise the environmental impact of our operations. We assess potential impacts, anticipate risks, and design strategies aimed at protecting the natural environment. Our periodic internal and external inspections and audits enable us to continuously evaluate and enhance our environmental practices.

We ensure rigorous monitoring by environmental authorities of all licences and permits granted.

In compliance with our commitments, we submit environmental compliance reports that reflect our efforts, progress, and results, promoting transparency and ensuring adherence to applicable regulations. Additionally, we implement preventive and corrective measures to maintain continuous compliance with the regulations, allowing us to swiftly adapt to changes in the environment and strengthen our environmental management. Beyond legal

requirements, we encourage the adoption of innovative technologies and practices that contribute to sustainable development.

During 2024, we made significant progress in our environmental management and remain committed to staying vigilant to new regulations. This allows us to anticipate potential impacts, adjust our operations, and implement effective mitigation measures.



Environmental team and Brigitte Baptiste (Biodiversity expert)



	Caño Limón area	La Cira Infantas	Central Llanos	TOTAL
Number of licences and permits to operate/year	22	12	26	60
Number of projects made feasible/year	2	71	1	74
Number of EMPs completed/year	1	19	2	22
Number of compliance reports/year	41	8	23	72
Number of responses to environmental requirements/year	304	135	234	673
Number of socialisations of licences and permits/year	45	64	46	155
Number of environmental inspections/year	216	110	71	397
Number of environmental awareness campaigns/year	4	16	7	27
Number of 1% investment and compensation projects/year	5	1	24	30
Number of visits by authorities attended/year	7	5	13	25

➤ **We have not had any significant fines, nor have we identified significant or material non-compliance with environmental laws or regulations.**

# Dialogue, participation and environmental action

Access to information and community and institutional participation are fundamental to our socio-environmental management. We focus on levelling the knowledge of our various audiences, empowering communities on environmental issues, and promptly addressing their concerns. This reinforces the legitimacy of our environmental policies and fosters transparency and trust among stakeholders.

We have implemented a comprehensive communication strategy based on informative, participatory, and engagement campaigns, supported by a media plan that includes written, radio, and digital media. These efforts are aimed at disclosing information about our projects and

environmental permits, their progress, and overall socio-environmental management. This approach allows us to maintain permanent, clear, and truthful communication with communities, local authorities, and other key stakeholders.

As part of our Socio-Environmental Management pillar and in relation to the Escazú Agreement, approved by Law 2273 of 2022 and effective in 2024, we evaluated our operations to determine their alignment with the Agreement.

**This assessment showed that most of our socio-environmental practices are aligned with the agreement's philosophy and generated a series of recommendations to improve these practices**

We continue strengthening our operations by aligning with the principles of the Agreement through a medium-term action plan to develop activities that enhance our performance. This action plan was generated based on the philosophy of the Escazú Agreement and other international frameworks such as the Environmental Performance Standard 1 of the International Finance Corporation (IFC), Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD), the Mining-Environmental Guide of the National Mining Agency, the United Nations Guiding Principles on Business and Human Rights, among others.

The most important actions encompassed in the Action Plan correspond to:

- The development of a communication strategy oriented towards the disclosure of our environmental performance.
- Participation during the different stages of the projects.
- An environmental management for each operation.
- Strengthening digital media.



Reforestation activity, Caño Limón area







Protecting jaguars together project

## SUCCESS STORY

# Socio-environmental management at SierraCol Energy



Vecinos a puertas abiertas programme, Caño Limón area



Action for the planet



Arauca and Casanare



Community in the area of influence of the operations, employees of SierraCol Energy, Corporinoquia and the education secretariats of Arauquita and Arauca

## Project description and objectives

- Ensuring access to information and promoting the participation of communities and institutions.
- Managing natural resources and operations in the territory responsibly.
- Building bridges between the company, communities, and the natural environment.
- Generating trust and empowering all stakeholders involved through assertive and transparent communication campaigns that opened spaces for dialogue and learning.

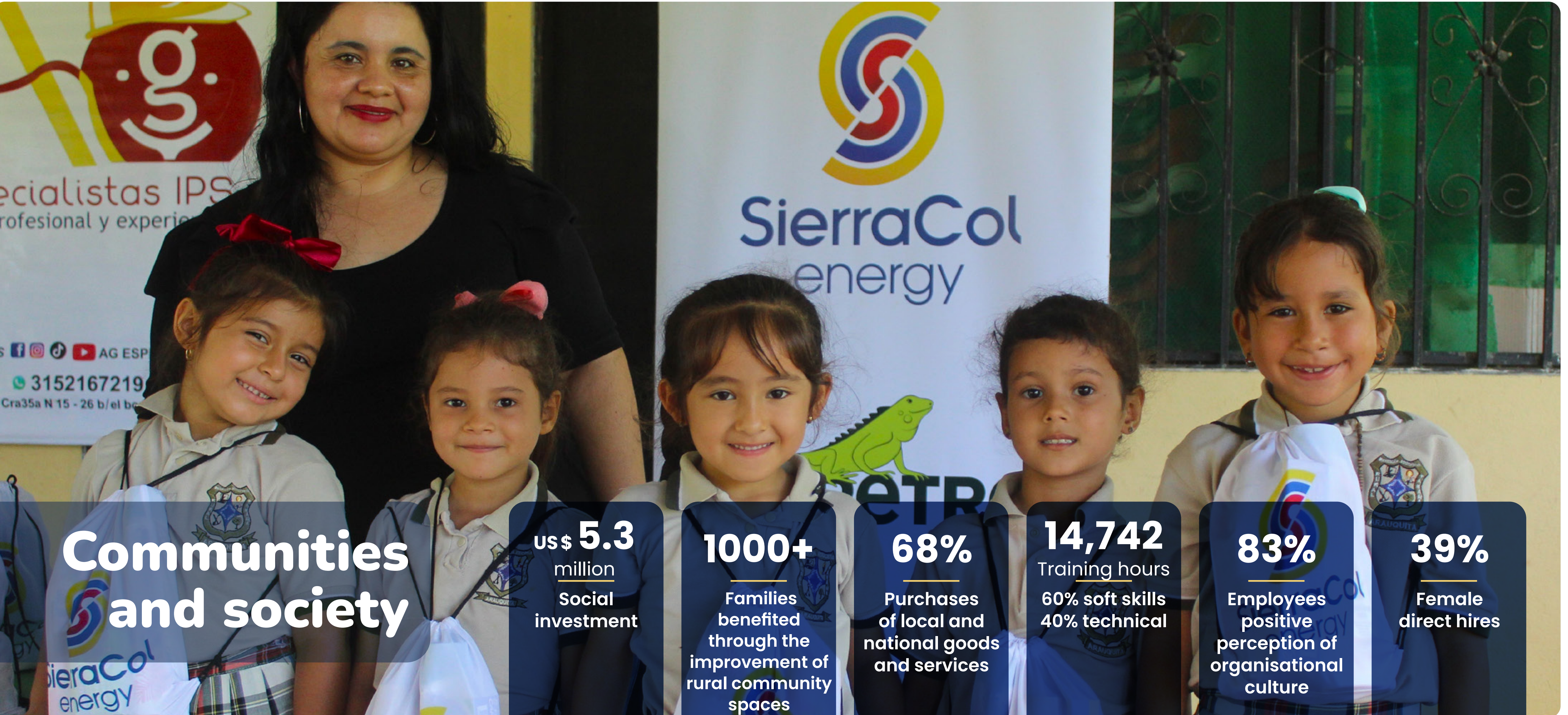
## Achievements and results

- In 2024, 33 informative meetings were held with social leaders, communities, and local authorities, consolidating timely and truthful communication.
- 15 visits were conducted under the “Vecinos de Puertas Abiertas” programme, where local stakeholders visit our operations. These visits are not only a hands-on experience to learn about production processes and environmental management but also an opportunity to strengthen our relationship with the communities.
- In the Caño Limón area, meetings have been organised to socialise the wastewater discharge permit, and annual dialogue spaces have been created to evaluate its compliance. Additionally, participatory

- water monitoring and guided tours ensure transparency at every step of the process.
- Compensation and mandatory investment projects have had a direct impact on the communities. With more than 20 meetings held and 22 families benefited, actions such as ecosystem restoration, installation of solar panels, and development of beekeeping crops have been implemented.
- In Casanare, environmental fairs involving 653 people from 11 villages have been organised, promoting environmental education in a didactic and dynamic way. During 2024, we have raised awareness among 2,153 people on various environmental issues.
- 972 primary school students participated in recreational-pedagogical activities through a joint project with Corporinoquia and the education secretariats of Arauquita and Arauca. Additionally, with educational kits and games, the Environmental School Projects (PRAE) were strengthened.
- “Un Café con Aroma Ambiental” has been an innovative strategy to train our workers. In a relaxed environment, sharing a cup of coffee, critical topics such as waste management and deforestation have been addressed. In the end, 532 workers participated, demonstrating that sustainability also starts from within.
- A total of 40 socialisation sessions with 2,341 participants.







# Communities and society

us\$ **5.3**  
million  
Social investment

**1000+**  
Families benefited through the improvement of rural community spaces

**68%**  
Purchases of local and national goods and services

**14,742**  
Training hours  
60% soft skills  
40% technical

**83%**  
Employees positive perception of organisational culture

**39%**  
Female direct hires

Activities with local schools, Arauquita





Social engagement with a community representative

# Communities and society

## Building networks: A collective commitment

At SierraCol Energy, we are committed to fostering long-term sustainable development and leaving a legacy in the communities where we operate, addressing social needs through collaborative territorial management. In recent years, we have developed and strengthened our social environment management strategy, focusing on shared goals and objectives to coordinate efforts and resources, thereby improving the well-being and living conditions of local communities in all our operations.

### Our strategy has five fundamental pillars



Based on our strategy, we take actions to:

- Identify key stakeholders to understand their needs, expectations, and concerns regarding our operations.
- Develop strategies to manage of social environment risks.
- Maintain supervision through a real-time social landscape alert system.
- Engage in purposeful dialogues and create listening spaces with stakeholders.
- Analyse the specific and unique particularities of each situation.
- Build agreements through consensus for mutual benefit.



Cultural activities at El Alcaraván foundation

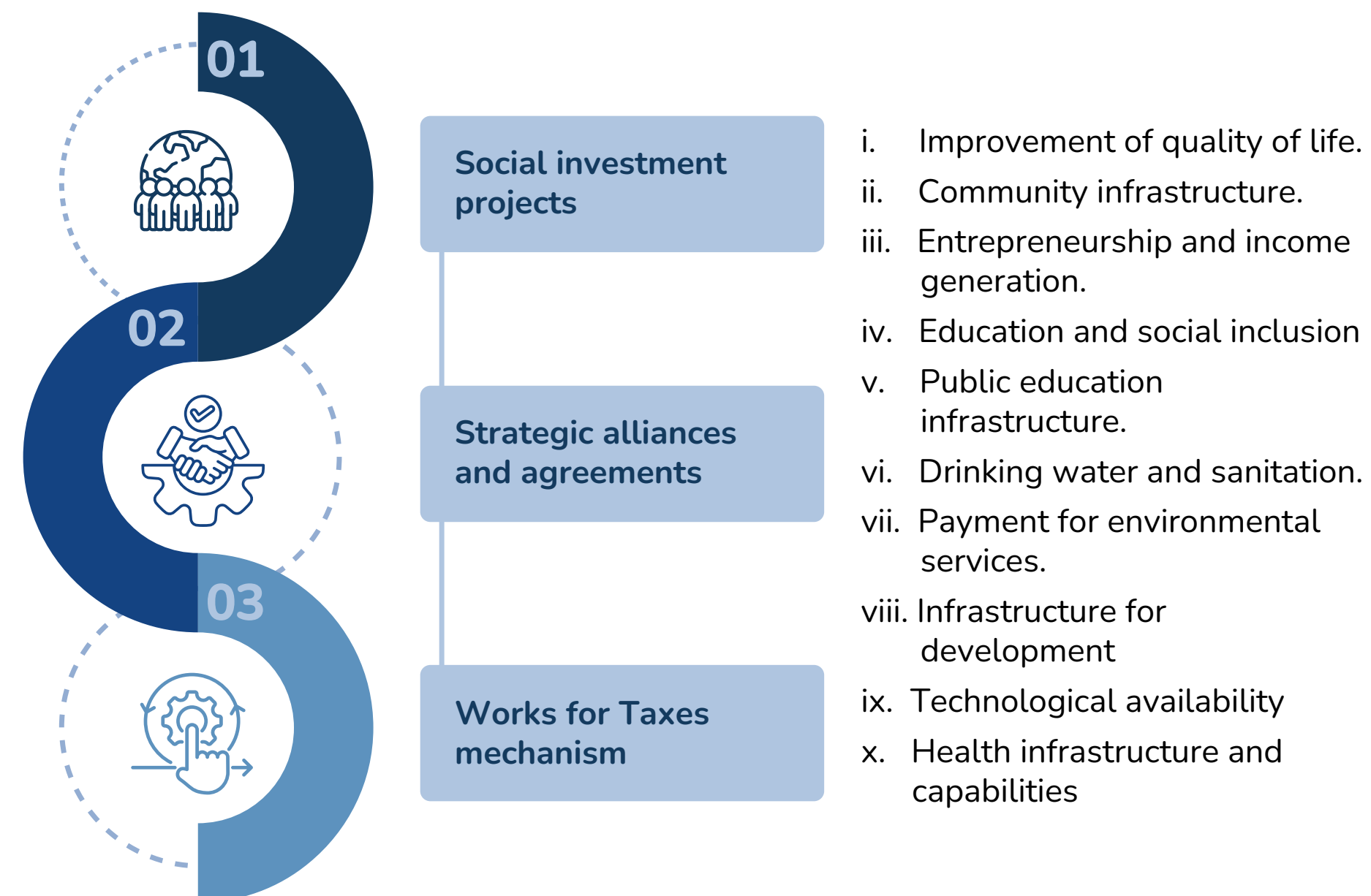


## Transforming lives and communities

As part of our commitment to the progress and well-being of neighbouring communities, we promote a participatory management strategy that strengthens local development and the construction of sustainable territories. We believe in the transformative social power to leave a legacy through three fundamental lines:

1. Implementing voluntary social investment projects.
2. Creating strategic alliances and agreements to leverage and manage resources.
3. Managing and executing projects through the Works for Taxes mechanism.

Through these three lines of work, that in 2024 represented a total investment of US\$10.4 million, we aim to enhance competitiveness and sustainable territorial development by improving factors defined by the World Economic Forum (WEF) in the Global Competitiveness Index and by the Colombian Private Competitiveness Council in the Colombian Departmental Competitiveness Index. Our lines of work for improving those factors include:



## Main achievements of our social development strategy in 2024

In 2024, we invested US\$ 5.3 million in voluntary social initiatives, positively impacting thousands of people through community development programmes focused on improving quality of life, strengthening entrepreneurship, and education.

### Social investment lines



### Improving quality of life

- In addition to the achievements under the agreement with the Ministry of Housing described ahead, we carried out 144 housing improvements and constructions in Arauca and Casanare, as part of our initiatives to improve living conditions for the communities.
- We responded to climate emergencies with 1,571 hours of construction and

earth-moving machinery, 1,226 m<sup>3</sup> of granular material supply for riverbank containment at 11 critical points and delivered 275 humanitarian aids in 15 villages.

- Through the community health programme, we reached 39 villages with general medicine and dentistry services, providing 6,216 consultations, attending users with 16 prevalent diseases.



## Entrepreneurship and income generation

- 139 producers strengthened their skills and techniques in agriculture and the cocoa chain through the supply of equipment, inputs, and tools.
- The productive infrastructure of livestock and the cocoa chain of the COMUNICACAO Association was improved, benefiting 70 producers.
- Two equipments of yellow construction machinery were delivered to strengthen the business of the Caño Limón area villages.
- Since 2007 through the Microcredit Unit of the El Alcaraván Foundation, 30,550 credits have been granted to micro-entrepreneurs at the base of the pyramid, 40% located in rural areas.
  - » Resources disbursed amounted to US\$ 29 million.
  - » 4,166 active credits, 52% of clients are women, and 48% are men.
  - » The current value of the portfolio is US\$ 3.5 million.
  - » 89.25% of microcredit obligations are paid on time by micro-entrepreneurs, with an average payment term of 21 months.



Local markets, Central Llanos

## Education and social inclusion

- Six rural schools were improved, benefiting more than 270 students.
- Continuation of the digital connectivity programme, through internet access, in 24 rural schools, benefiting more than 1,000 students.
- 1,060 students participated in TecnoAcademia, a programme in alliance with the Arauca branch of SENA (Colombian National Learning Service), where middle and high school students complement their studies to develop their skills and experimental training, in one or more branches of basic and applied sciences.
- We contributed to reducing school dropout rates by delivering 3,288 school kits in 75 villages in our area of influence.
- 10,473 Christmas gifts were delivered to children aged 0 to 12 in our areas of influence.

## Community infrastructure

- Improved 16 rural community spaces, benefiting more than 1,000 families.
- We contributed to improving the rural road connectivity of our neighbours by supplying material and machine hours to improve critical points on 23 rural roads not used by our operations, benefiting more than 1,290 families.
- In the Wacoyo Reserve, in Puerto Gaitán, three houses of thought were built to strengthen the intercultural thinking of ethnic communities. These houses of thought serve as cultural centres where community members can gather to share knowledge, traditions, and ideas, fostering a deeper appreciation of their heritage and promoting intercultural dialogue.

## Strategic alliance with the Ministry of Housing

- As part of our efforts to increase resources invested in the territories where we operate, in 2023 we signed a US\$16 million co-financing agreement through the El Alcaraván Foundation with the Ministry of Housing, City, and Territory. This agreement aims to construct over 720 houses and improve an additional 150 residences between 2024 and 2026. A third of the funds come from our voluntary social investment plans, while the Ministry is allocating the remaining resources. This strategic alliance is set to directly benefit over 850 families, with all labor, goods, and services contracted locally.
- In line with the goals established in the agreement, in 2024, we carried out 133 housing improvements and built 64 houses in 36 villages in the municipalities of Arauca and Arauquita, benefiting 197 families.



Activities with local schools, Arauquita





Sandra Pinzón, rural house improvement programme beneficiary

## SUCCESS STORY

# A four decade dream: Sandra Pinzon's story



Communities and society



Arauca and Arauquita



- El Alcaraván foundation  
- SierraCol Energy  
- Ministry of Housing

## Project description and objectives

In rural areas a decent home represents much more than a roof: it is security, health, and stability for families. Aware of this need, in partnership with the El Alcaraván foundation and the Ministry of Housing, we developed a rural housing improvement programme that is transforming lives in Arauca and Arauquita.

The project aims to provide safe and adequate housing for rural communities, offering both new constructions and improvements to existing homes. The initiative not only enhances the quality of life for the beneficiary families but also strengthens the local economy by generating employment and opportunities for regional contractors.

The programme's impact is reflected in stories like that of Sandra Pinzón, who, after nearly forty years, finally has a decent home. For the beneficiary families, having a safe home means protection from the weather, well-being for their children, and a space where they can build a future with dignity.

This is just the beginning of an ambitious plan that will continue to benefit hundreds of families, reaffirming our commitment to the sustainable development of the region.

## Achievements and results

The rural housing improvement programme has had a tangible impact in Arauca and Arauquita, benefiting hundreds of families and strengthening the local economy. Among its main achievements are:

- Over 200 families benefited with new or improved homes in 2024.
- Expansion plan to impact 830 households in the coming years.
- More than 1,200 local jobs generated.
- 52 regional contractors involved in the project.



Sandra Pinzón, rural house improvement programme beneficiary



## Works for Taxes mechanism<sup>3</sup>

We have decided to participate in this mechanism, prioritising investments in education, potable water and basic sanitation, transport infrastructure, energy, and health. This participation spans from the structuring to the execution of projects in the municipalities of Arauquita (PDET) and Arauca (ZOMAC). In 2024, we achieved the following results:

- Invested US\$ 3.9 million through the mechanism.
- Executed a project to improve solid waste management in rural Arauquita, including technical strengthening of two service providers and delivery of two collection vehicles worth US\$ 478 thousand.
- Executed a US\$ 3.5 million project to improve the infrastructure of 27 schools in rural Arauquita, benefiting 1,682 students
- Formulated 12 new projects in the areas of education, potable water, basic sanitation, and transport infrastructure for the municipalities of Arauquita and Arauca in Arauca, and Maní in Casanare.
- Formulated 12 new projects in education, potable water, basic sanitation, and transportation infrastructure for Arauquita, Arauca, and Maní. Once these projects are approved and registered by the appropriate government agencies in 2025, we aim to secure resources and present our intention to execute them. This request will be evaluated by the Nation, and if approved, will enable our participation in their execution.

<sup>3</sup> A mechanism of the National Government that allows large taxpayers to implement projects to close socio-economic gaps in municipalities affected by poverty and violence (ZOMAC and PDET municipalities) through the execution of economic and social impact projects. Taxpayers participate through the annual income tax.



Work for taxes mechanism, Arauca





Education programme beneficiary

## SUCCESS STORY

# Transforming classrooms, building futures



Communities and society



Arauca and Arauquita



- Community students  
- SierraCol Energy

## Project description and objectives

In Colombia, thousands of children like María Fernanda, a 9-year-old girl full of energy and dreams, face an invisible challenge on their way to school: the educational gap that separates rural areas from urban ones. The lack of access to technology and adequate educational infrastructure limits their opportunities and affects their future.

Aware of this reality, we decided to take action through our educational programme. Over the past four years, this programme has intervened in 49 educational institutions, 27 of them in the last year through the Works for Taxes mechanism. We have implemented projects that transform the educational reality in rural areas, bringing technology, infrastructure, and opportunities to more than 4,900 students.

Many of these rural schools were in deteriorated conditions that hindered students' attendance and the development of quality education. Classrooms over 30 years old, with deteriorated walls, leaking roofs, precarious electrical networks, and poor sanitary facilities were some of the problems they faced.

How have we contributed to changing this reality?

- **Renovating infrastructure:** Floors, walls, roofs, and carpentry in classrooms have been repaired, creating safe and suitable spaces for learning.

- **Modernising facilities:** Electrical and plumbing networks have been improved, ensuring the safety and well-being of the educational community.
- **Providing adequate furniture:** Classrooms have been equipped with furniture in good condition, creating a more comfortable and functional environment.
- **Facilitating access to technology:** Computers have been delivered, internet access has been guaranteed, and teachers have been trained in the use of Information and Communications Technologies (ICT).

## Achievements and results

"The use of ICT has been a very necessary and useful resource to link our knowledge, our wisdom to the knowledge we must impart to our students," comments Heidi Sánchez, a teacher at I.E. San José de La Pesquera, one of the beneficiary schools.

Thanks to this work, María Fernanda and her classmates now have the opportunity to access a world of information and knowledge that was previously unknown to them. Technology has become a tool to open their minds, broaden their horizons, and build a future with greater opportunities.

María Fernanda's story is a testament to our commitment to education and the development of rural communities. It is a commitment to equity, where technology and education come together to provide a brighter future for the children of Colombia.





## Collaboration and synergy: Dialogue and co-creation of value

At SierraCol Energy, we manage our relationships with stakeholders through a systematic approach that includes the precise identification of each stakeholder group, their interests and expectations. We ensure their participation in different engagement spaces

and comprehensively consider their rights, from the design to the execution of our strategies. Throughout each interaction we prioritise transparency and mutual respect.

These are our main stakeholders:



We recognise that our work in the social environment enables us to effectively manage risks, impacts, and conflicts with our stakeholders, which is a central element of our business philosophy. Therefore, our guiding principle is to establish continuous dialogue based on 10 fundamental principles of engagement:

- Respect
- Materiality
- Seeking mutual benefit
- Timely and transparent information
- Inclusivity
- Two-way dialogue
- Fulfilment of commitments
- Peaceful conflict resolution
- Continuity
- Good faith

Through our engagement and communication strategy, we strengthen trust and dialogue with our stakeholders, promoting sustainable development. This approach allowed us to efficiently manage community consultations and consolidate a positive perception of our company in the region.

In 2024, Jaime Arteaga y Asociados and the National Consultancy Centre conducted a survey in the municipalities of Arauca and Arauquita, where we are the sole oil and gas operator. The survey demonstrated a positive perception of the oil industry among the citizens: 87% of the surveyed population viewed the oil industry positively for their municipality; 70% of respondents expressed agreement with oil and gas exploration, production, and transportation activities in their municipality; and the “social license to operate” was evaluated at 85/100 by our neighbouring communities.



Our social team member with the Arauquita Major

In 2024, we successfully managed 838 consultations (PQRS) through our petition, complaint, claim, suggestion system “Conectémonos” (“Let’s connect”) achieving a 94% efficiency rate in their resolution.

Topics / Categories	Request	Complaint	Right of Petition	Congratulations	Commitment	TOTAL
Social investment and community contributions	558	13	13	5	2	<b>591</b>
Private property (movable and immovable)	22	6	5	-	-	<b>33</b>
Work and employment	32	4	4	-	-	<b>40</b>
Road issues	10	6		-	-	<b>16</b>
Environment	27	1	7	-	-	<b>35</b>
Procurement of goods and services	62	18	8	-	-	<b>88</b>
Security and Human Rights	1	-	-	-	-	<b>1</b>
Works for Taxes	6	1		1	-	<b>8</b>
HSE	1	1	1	-	-	<b>3</b>
Others	21	1	1	-	-	<b>23</b>
<b>TOTAL</b>	<b>740</b>	<b>51</b>	<b>39</b>	<b>6</b>	<b>2</b>	<b>838</b>



Our social environment management strategy effectively addresses social challenges, ensuring operational viability and contributing to sustainable community development. By adapting our approach to each context, we prioritise conflict resolution, dialogue, and risk mitigation, which ensures operational continuity and strengthens our relationship with the environment.

In 2024, our efforts led to significant outcomes that reinforce our commitment to responsible and effective social management:

- Identified and timely managed 147 alerts from socio-economic and political issues:
  - » 109 in Arauca
  - » 38 in Casanare and Meta
- Achieved a 93% efficiency in alert management, preventing potential blockages to our operations.
- Managed 31 blockages and social protests avoiding impacts to production and minimising operational disruptions:
  - » 23 in Arauca
  - » 8 in Casanare and Meta

These successes demonstrate our dedication to maintaining a responsible and effective social management strategy.

## Fair and equitable land management

Our land management strategy is based on dialogue, negotiation, and respect for the territory and its communities. In 2024, land management focused on maintaining fair and respectful contact with owners, possessors, occupants, tenants, and neighbours of the operation. This approach allowed us to:

- Operate without blockades related to land management issues or conflicts with occupants in Caño Limón area operations in Arauca.
- Social viability with the “Territorio Campesino Agroalimentario - TECAM Laguna de Lipa” (peasant reserve zones for environmental protection and food production), for the replacement and construction of 2.5 km of the T20-3 Trunk Line, with an execution without blockades or claims.
- According to the plan to prevent disturbances and invasions of areas in Arauca, 35 operational platforms were isolated by enclosures.
- The management of the contingency in the CIRA 5083 well, which involved a spill on March 19, 2024, at La Cira Infantas during a rig-less operation, was successfully handled without legal claims by those affected. Additionally, 18 families were temporarily relocated from their place of residence.

## Commitments and results

In 2024, we strengthened our commitment to sustainable development through stakeholder dialogue, transparency in our management, and collaboration with communities to improve the impact of our actions:

- Establish an ongoing dialogue with stakeholders to understand and address their concerns and needs and thus define the social investment projects to be implemented during 2024, ensuring that solutions are inclusive and sustainable in the long term.
- Maintain the premise of contributing in the long term to the sustainable development of the communities in our areas of influence.
- Evaluate and implement the commitments set out in our Human Rights Policy.
- Maintain clear internal and external reporting and evidence of results and impacts and demonstrate how our actions contribute to a sustainable legacy.
- Implement monitoring systems in collaboration with our stakeholders, primarily communities, to facilitate joint decision-making and measure the management and effectiveness of the actions taken.



Cocoa process, Arauca





Warehouse, Central Llanos

## Supply chain strengthening

At SierraCol Energy, we maintain a close and collaborative relationship with our contractors and suppliers to continuously improve our operations. We are committed to responsibly managing our supply chain by focusing on responsible development, reducing our environmental impact, and consistently meeting contractual obligations.

In 2024, we focused on creating a responsible supply chain, considering ESG (Environmental,

Social, and Governance) factors and relevant regulations.

Consistent with our unwavering commitment to human rights, we have placed substantial emphasis on improving our due diligence processes. We have adopted a proactive approach in clearly communicating our expectations regarding human rights due diligence to our contractors and conducting workshops exploring the convergence of business practices and human rights considerations.

Priority is health and safety and ethical treatment with a specific focus on preventing child labour, forced labour, and modern slavery practices. No cases related to these issues were identified or reported in 2024.

**We conducted follow-up and support for 32 contracting companies to verify compliance with the clauses on human rights, safety, ethics and compliance contained in our contracts. The objective is to seek improvement in procedures and achieve performance enhancement. The selection of these companies was based on risk exposure criteria.**

Through an evaluation of our suppliers, risk identification, and prioritisation of key areas, we adopted the Supplier Code of Conduct and the [Responsible and Sustainable Supply Chain Management Policy](#). These establish minimum obligations concerning legal compliance, integrity, and the fight against bribery, corruption, and money laundering. They also

include mandates on human rights, labour conditions, health and safety, environment, and communities to ensure we minimise or prevent negative impacts on the environment and society when acquiring goods and services. In 2025, we will launch a campaign to socialise and internalise the code with suppliers and contractors.

We believe that a responsible supply chain is fundamental to creating shared value and building a sustainable future. Therefore, we work with our contractors and suppliers to improve their practices, promote local development, and reduce our environmental impact. In 2024, based on the Sustainable Supply Chain Management Policy, the Supplier Code of Conduct, safety standards, and the distribution of opportunities, we developed the Local Contracting Strategy, focusing on services available within our immediate area of influence and aligning them with our needs. By examining job opportunities, we continue to create jobs and improve the quality of life in the communities where we operate.

### Purchase of goods and services in 2024

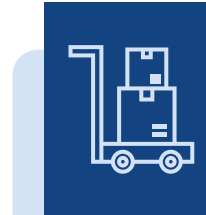


### Suppliers and contractors in 2024<sup>4</sup>



**933**

The total number of our suppliers and contractors.



**68%**

of goods and services were purchased from national and local suppliers and contractors in 2024.



**88%**

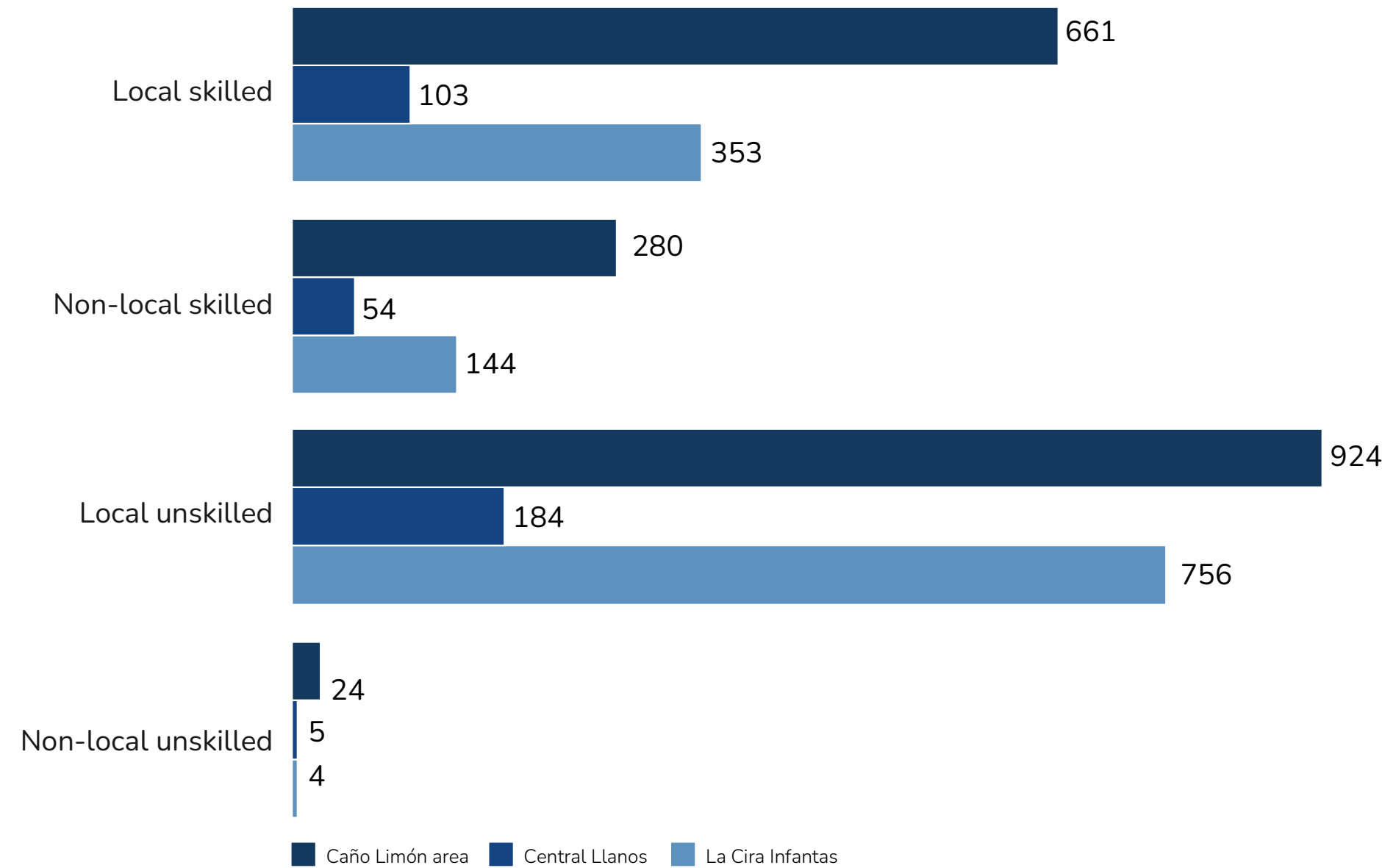
We are committed to local development in Colombia, which is why 88% of our suppliers are from our home country.

<sup>4</sup> A Note: Includes data from La Cira Infantas

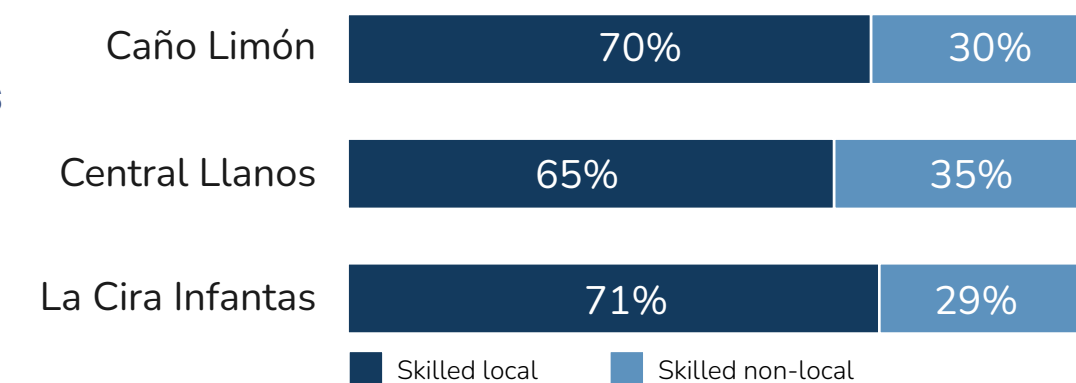




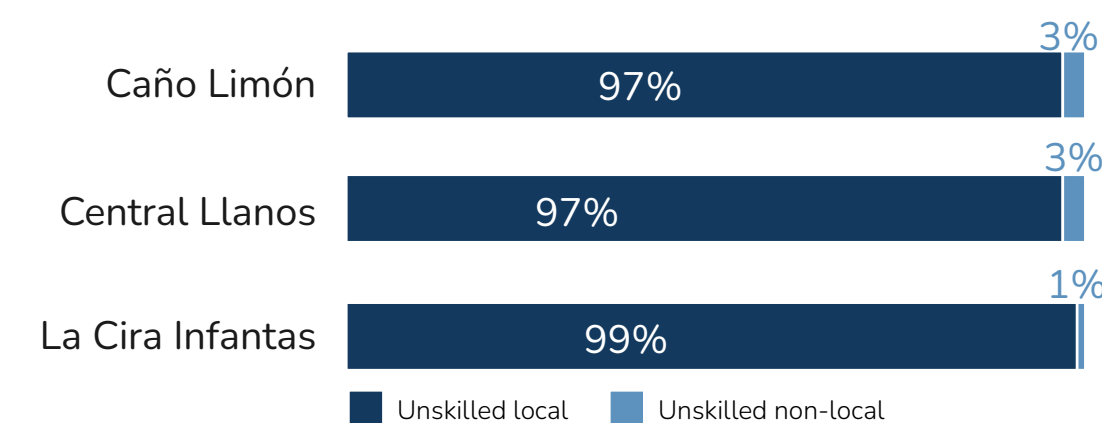
## Total of skilled and unskilled workers



## Proportion of skilled workers



## Proportion of unskilled workers



Our people, Central Llanos

# Our workforce as the engine of sustainability

Our purpose is to inspire and lead with integrity, developing organisational capabilities that drive sustainability, agility, and competitiveness. Guided by a transformational leadership model, we foster innovation, simplicity, and collaboration as engines to face the dynamic challenges of the oil industry.

## Our strategic pillars:

### 1. Talent development

- » Continuous training and development programmes
- » Personalised career plans
- » Performance evaluation

### 2. Organisational culture

- » Promoting a diverse, inclusive, and collaborative environment
- » Encouraging open communication and respect for differences
- » Promoting corporate values
- » Strengthening delegation of functions

### 3. Well-being and compensation

- » Well-being programmes addressing physical and mental health

- » Competitive compensation package, including health benefits and recognition programmes, employee and family benefits, and a hybrid work scheme

From the People, Culture, and Services area, we play a crucial role in organisational development, creating a positive and productive work environment; focusing on the comprehensive development of employees, fostering a diverse, inclusive, and collaborative culture, promoting open communication, teamwork, and innovation.

## Management strategies

We implement continuous training and development programmes, personalised career plans, and well-being programmes addressing physical and mental health. This contributes to the personal growth and professional development of our employees, ensuring they feel valued and motivated, which in turn increases productivity and impacts our operational success. Our strategies are:

### 1. Transformational leadership

- » Inspire and motivate teams towards shared goals.
- » Promote professional and personal growth through mentoring and coaching.
- » Prioritise creativity and systemic thinking to maintain agility.





## 2. Talent management

- » Succession planning and continuous training.
- » Temporary assignments in special projects that contribute to the development of technical and leadership skills.

## 3. Digital transformation

- » Process automation to optimise the operational efficiency of the Vice Presidency of People and Corporate Affairs.

## 4. Organisational culture

- » Implementation of effective delegation workshops and Lean & Scrum methodology management.
- » Use of tools such as heat maps and organisational culture assessments to monitor alignment with corporate values and strategies.
- » Fostering a diverse, inclusive, and respectful work environment.
- » Design and implementation of action plans derived from the application of the organisational culture survey.

In 2024, a positive perception of 83% was achieved in key attributes of our organisational culture, such as agility, simplicity, and decision-making. Additionally, more than 277 leaders and collaborators were trained in critical competencies, ensuring a solid foundation for sustainable growth.

## Performance evaluation process: A transformational and high- impact approach

This process integrates a structured approach with the principles of transformational leadership, aiming to align individual goals with our strategic objectives. By doing so, continuous development, creativity, and sustainability are fostered. In 2024, 100% of eligible employees (497) across all organisational levels completed the performance evaluation process.

### Process Stages:

1. Definition of expectations: objectives and job responsibilities
2. Continuous feedback and monitoring
3. Self-assessment
4. Evaluation
5. Calibration
6. Communication of ratings

As mentioned, the process determines each employee's contribution to achieving our objectives and is therefore an important input for the next year's salary plan, consistent with our pay-for-performance philosophy.

During performance management, opportunities for dialogue between leaders and their collaborators are established to create individual development plans. This process

enables employees to enhance their skills and close any gaps.

## Cultivating talent: Training, development, and internal growth

At SierraCol Energy, we are committed to responsible human talent management. We achieve this by implementing strategic programmes focused on competency development and the professional growth of our collaborators. These programmes are designed to strengthen both technical and soft skills, ensuring alignment with operational challenges, organisational values, and functional and technical competencies.

In 2024, the technical training plan was developed in three fronts:

1. **Internal courses:** These technical training programmes were designed and implemented in-house by employees with high knowledge and experience in various areas such as geophysics, reservoir engineering, geology, seismic, and petroleum engineering for non-petroleum engineers, among others.
2. **Strategic partner courses:** In synergy with some of our service companies, specialised workshops such as ESP Fundamentals (Artificial Lift) and ESP Life Cycle Cost were offered.
3. **External courses:** Based on operational needs and challenges, opportunities for technical competency development were

identified and supplied through highly specialised national and international external providers. Courses included integrated reservoir analysis, process safety engineering, drilling inspection, Operational Representative of Oil and Gas (OGOR), and hydraulic stimulation.



Our people, Central Llanos



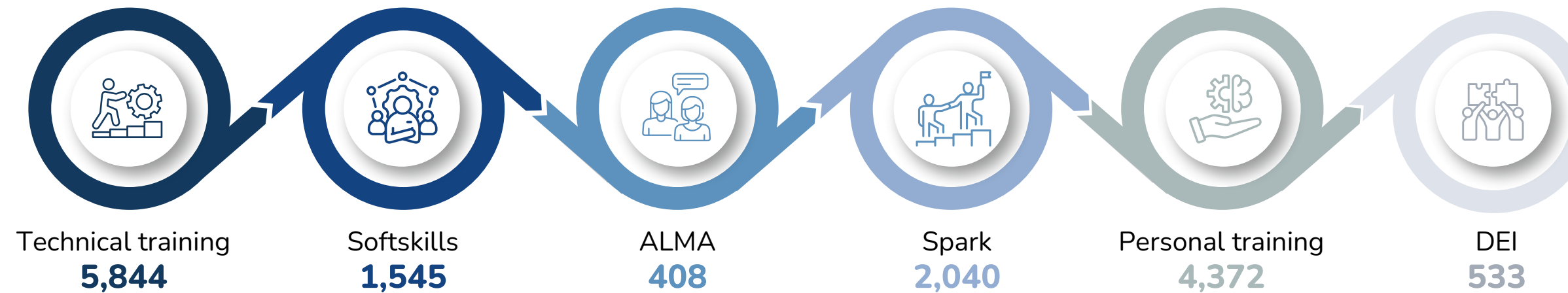


Our people, Bogotá offices

On the other hand, soft skills training was developed in the following fronts:

- 1. Effective delegation workshops:** More than 10 workshops focused on supervisors, managers, and vice presidents were conducted, strengthening their skills to strategically delegate tasks, differentiating between routine and critical tasks. This has contributed to faster decision-making and the development of autonomous teams.
- 2. LEAN & SCRUM methodologies:** Training in agile tools was offered, focusing on key areas such as information technology and sustainability. This training helped identify and eliminate non-value-added processes and improved project management through collaborative work.
- 3. Data analytics:** Training in Power BI was conducted to provide real-time, high-quality information for more informed decision-making in a changing environment.

**We exceeded our training hours' goal, reaching a total of 14,742 hours, demonstrating our commitment to the continuous growth and development of our collaborators.**



## Development plan for critical positions

To ensure key talent in critical company positions, we advanced the corporate succession plan, identifying 28 critical positions and 48 successor employees.

To prepare candidates for future career opportunities, individual development plans were designed. These plans included various actions, such as the application of a 360-leadership measurement using the "The Leadership Circle Profile" tool. This tool aligns with our Transformational Leadership model, which promotes leading with a higher purpose, fostering innovation, creativity, and continuous improvement.



The application of the "Leadership Circle Profile" test has been fundamental in raising self-awareness, identifying and enhancing leadership competencies through a coaching and support process.

It is a programme, developed in collaboration with the University of Los Andes, focused on developing business management competencies, preparing participants to assume supervisory and leadership positions. The programme includes the development of an impact project for our company.

It includes 4 modules:

- Strategic Planning
- Financial Principles
- Project Evaluation
- Management Control

## ALMA women's leadership programme

Aims to promote the professional and personal growth of women within our ecosystem.

For 2024, the ALMA programme received support of international organisations such as CEA (Council of American Companies), Biz Nations, and Leaders of All Nations, for the implementation of its "ALMA Arauca" chapter. It was implemented for women entrepreneurs in the areas of influence of our Caño Limón area

operation. In addition to its educational focus and promotion of comprehensive development of female leadership, the programme offered tools to strengthen and develop local enterprises.

This year, the ALMA programme extended to women from the El Alcaraván Foundation and allied contractor companies, with the participation of 125 women, including contractor companies' collaborators and community members of our area of influence.

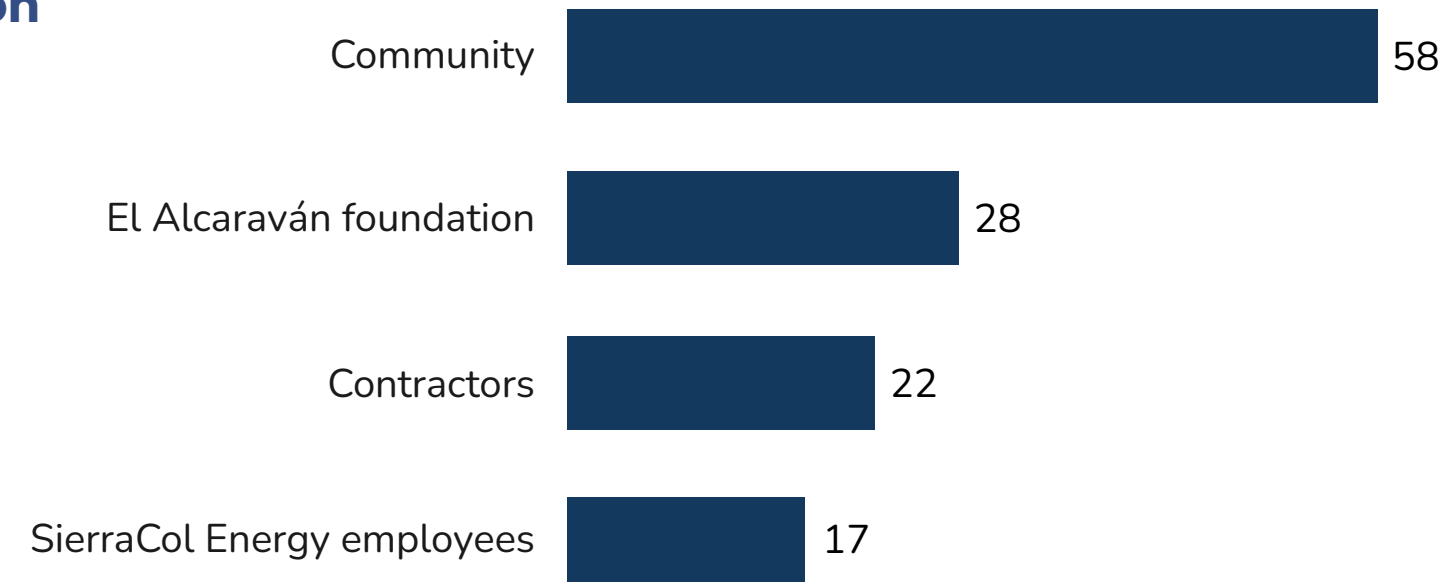


ALMA launching event, Arauca





## Women ALMA participation in Arauca



## Generational transition plan

A structured generational transition plan was developed to manage the gradual exit of employees nearing retirement. We project that in the next 3 years, 10% of our employees will meet retirement conditions, of which 62% are operational field staff.

### Methodology:

- Identification and planning
- Implementation of knowledge transfer
- Evaluation and professional accompaniment
- Gradual exit and promotion of internal talent

### With the implementation of this plan, we have achieved:

- Effective transfer of critical knowledge between generations.
- Development of new leaders prepared to assume strategic roles.

- Reduction of operational risk derived from the exit of employees with key experience.
- Promotion and retention of internal talent, strengthening commitment and motivation.



Our people, Bogotá offices

## Operational continuity: Integration plan of the new assets to SierraCol Energy

In 2024, we implemented an onboarding programme to facilitate the integration and adaptation of the 87 employees who joined us with the acquisition of new assets. The programme was designed and implemented to promote the integration of new employees into our collaborative work culture, generating a highly positive impression and an immediate sense of belonging.

The onboarding programme facilitated the familiarization of new employees with their roles, colleagues, supervisors, culture, and policies and procedures. This process quickly prepared and aligned new employees with organisational objectives, enabling them to start contributing to their achievement.

## A year of opportunities

In 2024, we continued working on operational, financial, and sustainable excellence by reinforcing our team with strategic hires for key roles within our company.

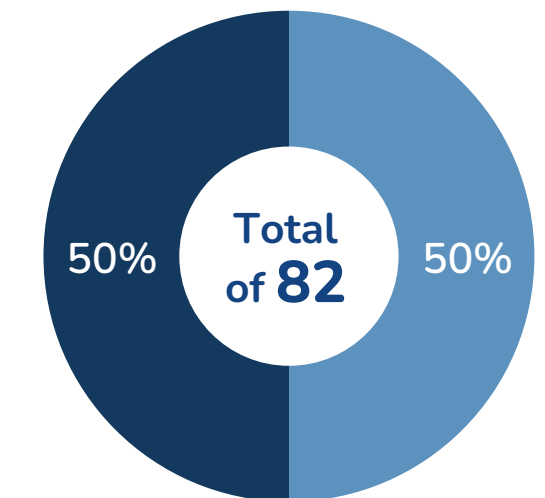
Additionally, with the acquisition of new assets in Colombia, 87 collaborators were integrated, strengthening our human talent. This integration allows us to continue contributing and growing in Colombia.



Our people, Bogotá offices

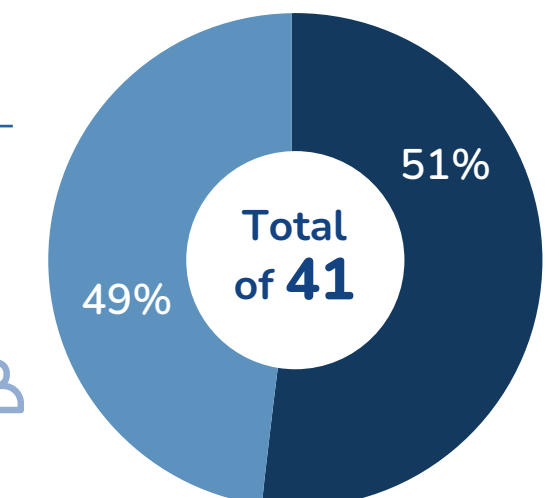
### Recruitment

- Temporary
- Direct



### Direct recruitment

- Open search
- Engagement of contractors



By identifying and leveraging both internal and external talents, we create a team that drives success and innovation at SierraCol Energy.



## Professional development benefits

We promote professional development as a key tool for the comprehensive well-being of our collaborators and the sustainable growth of our company. We integrate performance evaluations that identify and rewards talents with benefits that ensure emotional and financial stability. At the same time, we support work-life balance through parental leave and encourage academic and professional training to foster continuous learning. This comprehensive vision reinforces motivation and commitment, generating value for both our teams and the company.

### Some of our benefits include:

#### Labour flexibility

- › Leisure days
- › Days off for marriage

#### Vitality

- › Medical care in the office
- › A comprehensive health and well-being programme
- › Recreational activities throughout the year
- › Hybrid work scheme



It is essential for us to keep all employees informed about the benefits we offer, contributing to the well-being and satisfaction of both employees and their families. This communication strengthens the trust relationship between us and our staff. We ensure that employees have the necessary information to make the most of the available benefits.

To incentivise and facilitate access to our robust benefits plan, we have designed a section on our intranet, which contains all relevant information about the benefits. This page is easy to consult and manage, allowing online requests to be processed quickly and efficiently. By centralising information and facilitating digital management, we optimise

response times and reduce the need for manual processes, thus improving the employee experience.

Furthermore, the intranet is regularly updated to reflect any changes or new benefit offerings, ensuring employees are always informed about the available options.

## Sponsorship for education and development

Our postgraduate sponsorship policy, which covers up to 90% of the cost of specialisations, and master's degrees, promotes the professional development of our employees and strengthens talent retention.

## Your family, our priority

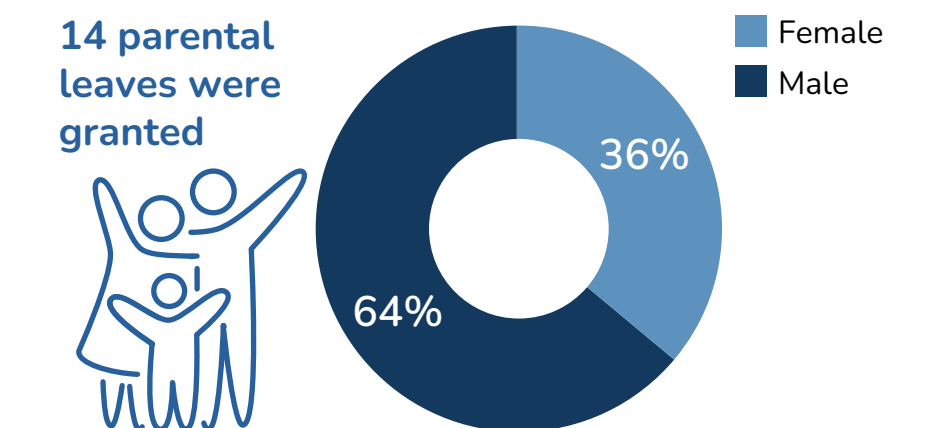
Our benefits plan is designed to provide comprehensive support to our employees and their families through initiatives such as parental leave, flexible working hours, and a lactation room. These measures not only support employees in adapting to new personal situations, allowing for a gradual and balanced return to work, but also contribute to fostering an inclusive and equitable organisational culture.

In addition, we guarantee and promote the legal maternity and paternity rights:

- **Maternity leave:** By law, female workers are entitled to 18 weeks of paid maternity leave.
- **Paternity leave:** Paternity leave is 8 working days, with full salary, and is granted to the father or the mother's permanent partner.

By creating an environment that favours the balance between personal and work life, we promote the well-being of our team, strengthen productivity, and improve the work environment throughout the organisation.

### Parental leave by gender



➤ **100% of parental leave requests were granted**



Our people, Bogotá offices



# Performance-based compensation

Our compensation philosophy is to remunerate employees and the management team according to their performance and our overall performance, aligning individuals with corporate objectives and organisational values.

In addition, our recognition programme enables us to acknowledge and reward both individual and team contributions to business objectives, serving as an effective tool for motivating employees, fostering a positive work environment, and enhancing commitment levels.

The remuneration structure for senior executives of our company comprises three fundamental aspects: fixed compensation, variable compensation, and additional benefits. This structure aligns both with the interests of our shareholders and the sustainability objectives guiding our corporate strategy. In addition, we recognise the value of performance in key areas such as operational efficiency, innovation, and our commitments to environmental, social, and governance principles, rewarding those employees who contribute significantly to these aspects.

The established goals are designed to foster sustainable and consistent long-term results, ensuring that they are measured with predefined objective criteria, thus ensuring a clear relationship between achieved results and our growth.

# We promote pay equity

We conduct periodic analyses through market studies to compare ourselves with other companies to ensure competitiveness in total compensation. We also strive to guarantee internal pay equity in terms of responsibility levels and job types, minimising potential gender-related gaps.

We periodically evaluate possible pay gaps and take necessary actions to ensure both women and men receive equal or comparable compensation according to their roles. This evaluation covers all forms of remuneration, including base salary, bonus payments, and other forms of recognition. Furthermore, we continually strive to foster an inclusive and fair work culture that promotes equal opportunities for all employees.

We confirm our commitment to promoting a diverse and balanced work environment, where decisions on hiring, development, and promotion are based on merit and ability.

Statistical Measures	Salary gap		Bonus gap	
	2023	2024	2023	2024
Mean	16%	19%	47%	44%
Number of males	362	348	304	320
Number of females	138	124	135	154

**Note:** This segment was made in compliance with laws enacted in April 2017, mandating UK employers with over 250 staff members to disclose their gender pay differences using a specific reference date of 5 April 2024 annually (Gap Gender Annual Report)

# Beyond negotiation: A culture of dialogue

We have a Trade Union Relations Policy, integrated into our Human Rights Policy, which is aligned with national and international labour standards of the International Labour Organisation (ILO), including the principles of freedom of association and collective bargaining. This policy applies to all our employees, as well as to contractors and suppliers involved in our operations.

In addition, we have a current collective agreement in place for the period 2022-2026, negotiated with the Unión Sindical Obrera (USO) Arauca sub-division. This agreement covers direct daily-role workers, as well as employees of contractors and subcontractors, reaffirming our commitment to protecting and promoting labour rights in all our activities.

In 2024, we continued to implement the Labour Relations Plan, which aims to strengthen our relationship with the Unión Sindical Obrera and ensure the sustainability of our operations. As part of this commitment, through our internal labour audit programme, 96 potential cases of non-compliance with the collective agreement by contractors in the Caño Limón area were managed and resolved, reflecting a 47% reduction compared to 2023.

**2024 data:** Currently, the collective agreement benefits 35% of direct employees in SierraCol Energy's Caño Limón area operation and 58% of employees of contractors and

subcontractors providing services in that operation.

# We value our talent

At SierraCol Energy, human talent management is a key priority to ensure an inclusive, equitable and productive work environment. As part of our commitment to transparency and sustainable development, we present the staff turnover rate recorded during 2024:

## Turnover by type

- **Voluntary: 2%**  
Represents cases in which employees voluntarily decided to leave the company. This highlights our ongoing evaluation of the reasons for leaving and opportunities for improvement in talent retention.
  - » Compared to 2023, where the voluntary turnover rate was 3.22%, there is a significant improvement (50%) in staff retention by own decision, reflecting efforts made to improve the work environment and internal opportunities
- **Involuntary: 3%**  
Includes dismissals arising from organisational decisions, such as structural adjustments or disciplinary measures, in accordance with our responsible management policies.
  - » Compared to 2023, where the involuntary turnover rate was 8%, 2024 shows a decrease of more than 60%, due to the





implementation of an organisational efficiency plan at the end of 2023.

- **Retirement: 2%**

Refers to employees who retired due to fulfilling the requirements for their retirement, reflecting compliance with their career paths and long-term commitments.

As previously mentioned, our projection of employees in the retirement stage in the next 10 years is 10%, for which we designed the Generational Transition Plan shown above, which prioritises internal talent to fill vacancies left by retiring employees. This plan generates opportunities for growth and development for all our employees.

In addition, we maintain our commitment to the well-being of our employees, offering outplacement processes for cases of involuntary redundancies. This programme seeks to ensure a socially and family responsible redundancies, offering the following support:

- Psychological and emotional support
- Guidance for job search or entrepreneurship development
- Curriculum Vitae writing
- Interview preparation and access to professional networks
- Analysis of the pension situation
- Support with a Personal Finance expert

## Towards an inclusive culture: Fostering diversity and equity

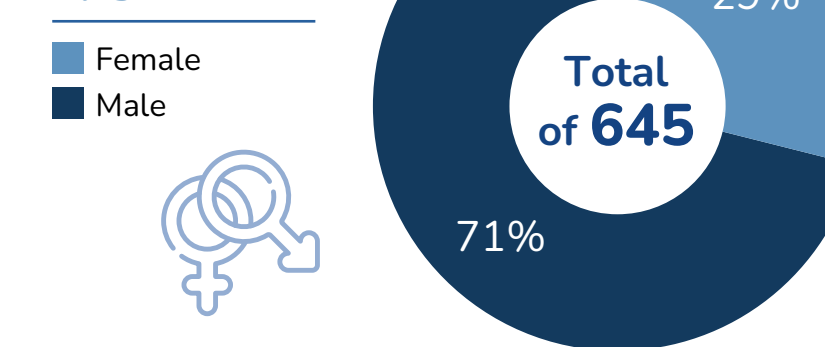
At SierraCol Energy, diversity, equity, and inclusion (DEI) are fundamental pillars for the success and sustainability of our company. This commitment is reflected in our [Diversity, Equity, and Inclusion Policy](#), the [Equal Opportunities Policy](#), the [DEI Declaration](#), and procedures designed to promote a respectful, equitable, and non-discriminatory work environment. We guarantee transparency and equal opportunities in all processes related to our human talent, reaffirming our dedication to building an organisational culture that celebrates and respects individual differences.

In 2024, we reinforced this commitment with the implementation of an internal DEI audit aimed at reviewing and improving our practices. The audit helped us to identify areas of opportunity to ensure an inclusive and equitable environment. As a result, we updated our indicator monitoring systems for training, turnover, promotions, interviews, and hiring incorporating gender and age categories.

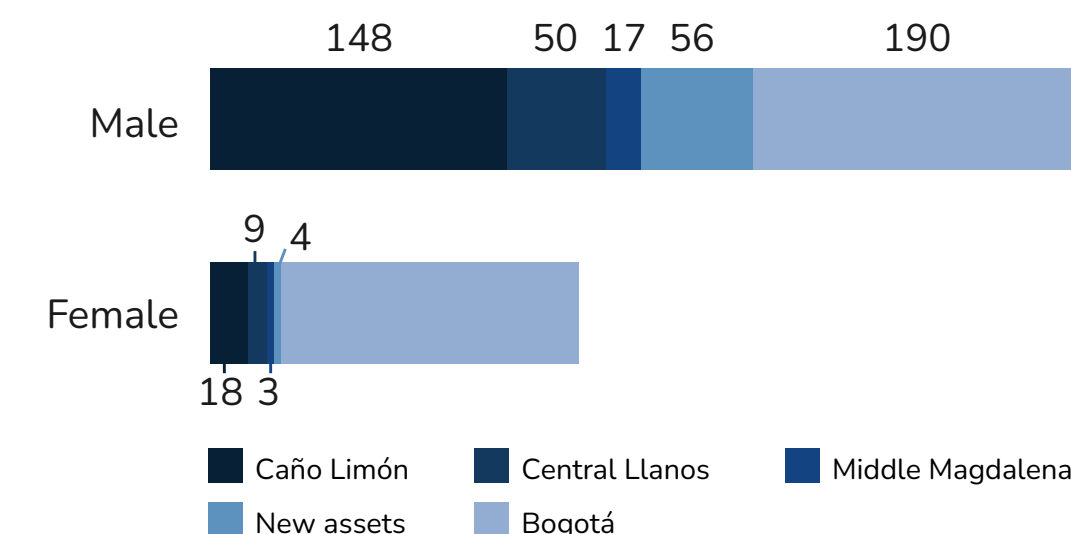
Additionally, as part of this effort, we developed the DEI Manual, which establishes clear guidelines and specific objectives to strengthen our diversity and inclusion policies. This manual also led to the creation of the DEI Committee, responsible for overseeing and fostering

inclusive practices throughout our company. It underscores the importance of continuous training on DEI topics for all employees.

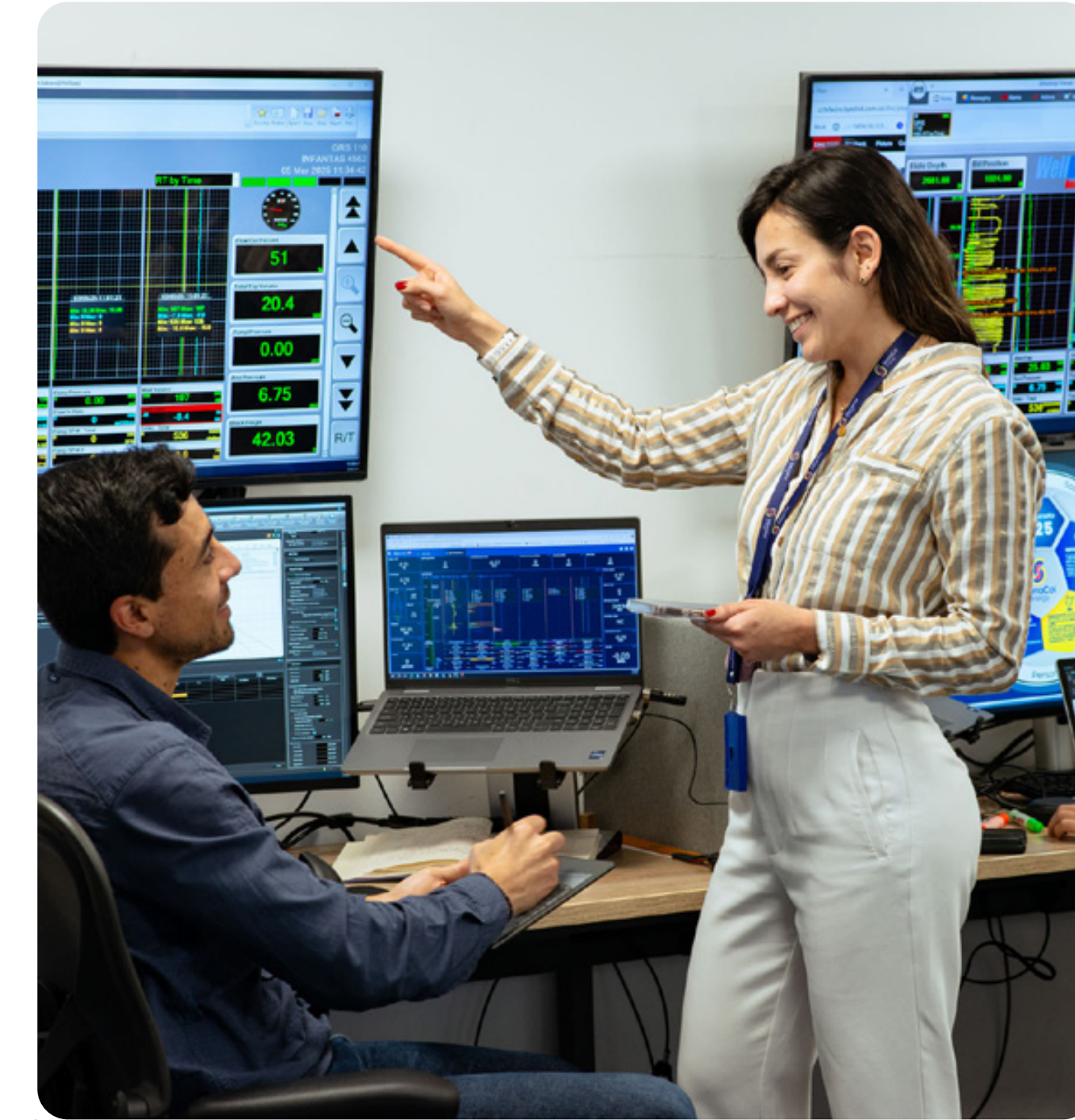
Percentage of employees by gender



Number of employees by gender and by operation



We continue analysing and monitoring to ensure that all employees, regardless of gender, receive equitable compensation for their roles and performance. Any discrepancies identified are addressed through specific actions aimed at promoting pay equity, such as reviewing salary structures, rigorous performance evaluations, and equal



Our people, Bogotá offices

opportunities for advancement. Our goal is to maintain a fair and transparent compensation system that rewards employees based on their skills, experience, and contributions, regardless of gender.

**By building an environment where all employees feel valued and accepted, we drive positive and sustainable results that benefit both our people and the company as a whole**



## Our commitment to an inclusive workforce

We firmly believe that a diverse and equitable work environment is essential for driving innovation, improving decision-making, and

ensuring the long-term success of our company. To achieve this, we have implemented several strategic initiatives:



Additionally, we have implemented strategies to attract and retain diverse talent, focusing on four main areas of action that have strengthened our diversity, equity, and inclusion policy.

- **Use of digital platforms and social media:** We use various digital platforms and social media to showcase all activities aimed at direct employees and communities in our areas of influence.

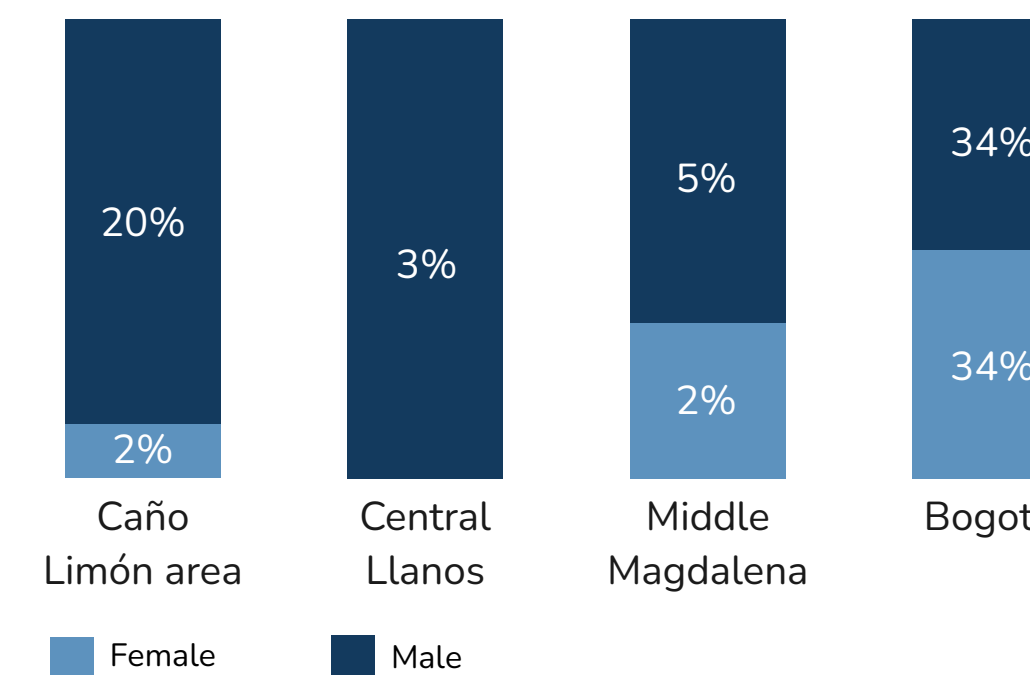
- **Structured selection process:** We have implemented technical assessments and structured interviews to ensure transparency in our processes. A series of policies and procedures guide and structure our hiring processes.
- **Continuous training programmes:** We offer courses and workshops on new technologies and practices in the oil industry. In addition, we have succession

plans and opportunities for promotions and lateral movements within the company. Our training portfolio also includes talks on diversity, equity, and inclusion topics.

- **Competitive compensation and benefits:** We offer competitive packages that include attractive salaries, performance bonuses, and additional benefits, focused on the well-being of the employee and their families.

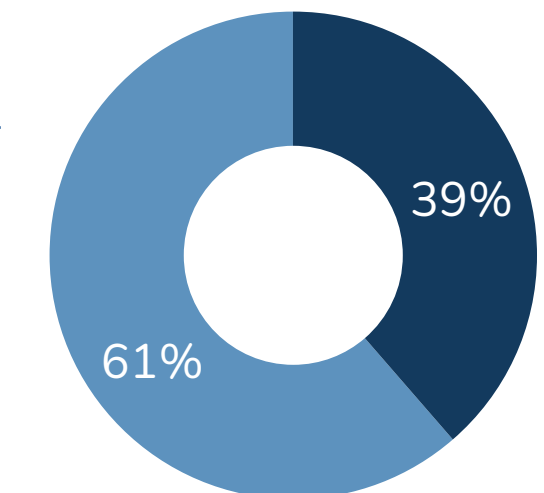
In our interview and hiring processes, we aligned with our commitment to gender equity. As a result, 41 hires were made through 21 selection processes, in which 80% of the processes ensured the female participation with the required technical competencies.

### New hires by gender and by operation



### New hires by gender

Female  
Male



We set out to achieve female hires above 35% by 2024, successfully increasing to 39% hires, reaffirming our commitment to diversity and inclusion.

## Programmes and initiatives for an inclusive team

At SierraCol Energy, we are a community committed to the development of our employees. Our initiatives, including internship programmes, diversity training, and well-being groups, promote a culture of collaboration, continuous learning, and employee care.

### Internship programme

Another of our objectives is to support the development of young talent from careers related to our activities, building a pool of professionals prepared to occupy permanent positions in the company. Through partnerships with universities, we reaffirm our commitment to the training and inclusion of young talent, offering them the support necessary to enhance their professional growth.





We offer a bi-annual programme for students in practice, designed to provide learning and development opportunities in a real work environment. This programme allows students to apply their theoretical knowledge, develop practical skills, and deepen their understanding of the professional field in which they aspire to grow.



2024

**22** students participated in the programme

with 36% of the being women

## DEI training programme

In 2024, we launched a DEI training programme with four modules designed to raise employees' awareness of the relevance of an inclusive and respectful work environment. These open and voluntary sessions highlighted how diversity in teams can enrich perspectives, foster creativity and innovation, and improve decision-making and problem-solving.



**Inclusive communication**

**193** online participants



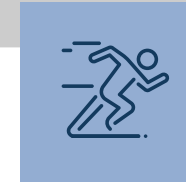
**Cheering for equality**

**152** online participants



**The No. 10 for equality**

**46** on-site participants in the field



**In the starting line-up**  
(harm of stereotypes, biases and labels for teamwork)

**82** on-site participants in the field



Our people, Casanare



Our people, Bogotá offices

## Affinity groups

At SierraCol Energy, health is an important pillar of our diversity practices, ensuring the well-being of our employees. One of the affinity groups we have established is the Active Hearts and Vital Exercise group, which focuses on promoting healthy lifestyle habits through regular exercise. These activities were carried out from February to August:



**Active hearts**

**437** participants



**Vital exercise**

**83** participants in on-site and virtual mode







Alejandra Castaño, our People & Corporate Affairs Vicepresident

## SUCCESS STORY

# Alejandra Castaño: Empowering Women Leaders



Communities and society



SierraCol Energy



SierraCol Energy employees

## Project description and objectives

Alejandra Castaño, our People & Corporate Affairs Vice-president was recognised with the distinction ‘Top 10 HR Leaders in Latin America 2024’, awarded by Manage HR for her exceptional leadership in promoting resilience, inclusivity, and sustainability within our organisation. Her efforts have significantly contributed to creating a more adaptable and inclusive workplace culture, driving positive change and innovation.

## Achievements and results

### 1. Leadership in diversity initiatives:

Alejandra has spearheaded several diversity initiatives that have significantly increased representation and inclusivity within the company. Her efforts have created a more welcoming and supportive environment for all employees.

**2. Fostering growth:** Through “Leading My Career” initiative, which focuses on empowering individuals to take charge of their professional growth and development, many of our employees have advanced their careers and achieved their goals.

**3. Resilience and adaptability:** At SierraCol Energy, we developed and implemented programmes focused on building resilience and adaptability among employees. These programmes have enhanced the overall well-being and productivity of the workforce, enabling them to better navigate challenges and changes.

### 4. HR Promotion and employee well-being:

Alejandra’s leadership has been recognised for promoting human rights and employee wellbeing. Our company seeks to enhance employee experiences and foster a positive workplace culture with wellness programmes focused on mental, physical and emotional health.

Manage HR, in the February 2025 edition of its international magazine, published Alejandra’s article ‘Empowering Change Through Resilience, Inclusivity, and Sustainability’, highlighting her trajectory, vision and leadership in human talent management in the business environment. We invite you to read the full article [here](#).







# Solid governance

<b>20</b> Sustainalytics ESG risk rating*	<b>100%</b> of management team trained on ABC policies	<b>100%</b> of employees trained on ABC policies	<b>97%</b> of private security personnel trained in human rights	<b>44.8</b> kboepd Share Before Royalties and Price Clauses	<b>US\$ 280.9</b> million Paid in income taxes and estimated royalties
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\* May 2024

Our senior leadership





Juliana Hoyos, our General Counsel

# Solid governance

## Leading with integrity and sustainability

The corporate governance plays an essential role in our strategic direction and sustainability, aligning with international standards and strengthening transparency in decision-making.

The two main elements that make up the governance framework of the Board of Directors from the ESG perspective are:

### Experience and diversity:

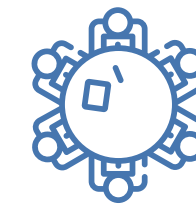
Composed of six professionals with extensive experience in the energy sector, who bring a combination of experience, diversity, and leadership, reinforcing their ability to address issues related to ESG criteria.

### Integrity and sustainability:

Board members are selected based on their experience and integrity, bringing key knowledge for sustainability.

The Board of Directors leads the ESG strategy with experience and vision, delegating the supervision of its implementation and performance to the ESG Committee. This includes conducting periodic reviews, promoting a sustainable organisational culture, and ensuring practices are aligned with international standards.

The Executive Chairman leads the Board of Directors combining executive and strategic responsibilities. We have established clear boundaries to avoid conflicts of interest and ensure impartial management.



### Board members

**Heather Mitchell Brezo**

Partner, Managing Director and General Counsel for Investments Advisor

**Bob Maguire**

Managing Director for CIEP

**Tony Hayward**

Executive Chairman

**Marcel van Poecke**

Managing Director and Head of CIEP

**Alix Borch**

Associate Director at CIEP

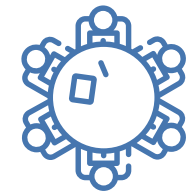
**Felipe Posada**

SierraCol Energy Board Member

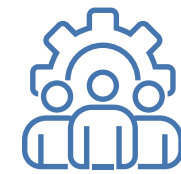
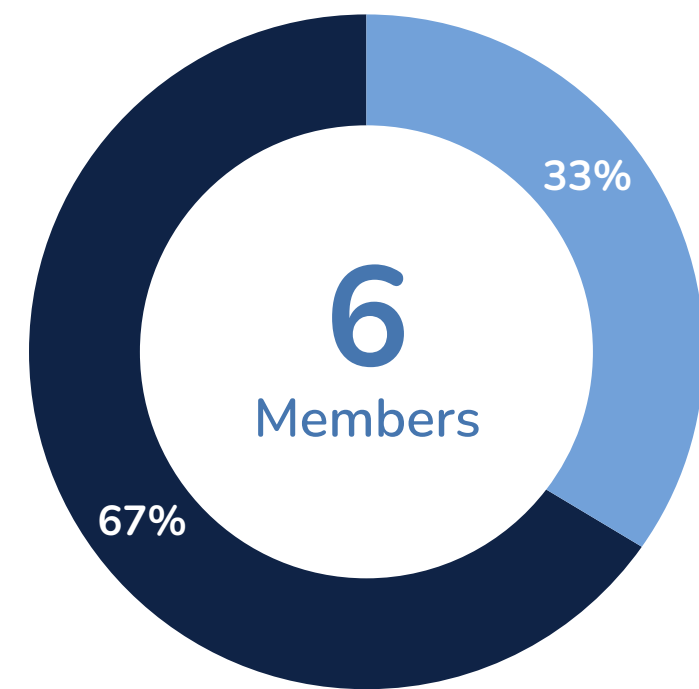
For more information on our board members, please visit us at: <https://sierracolenergy.com/our-leadership>



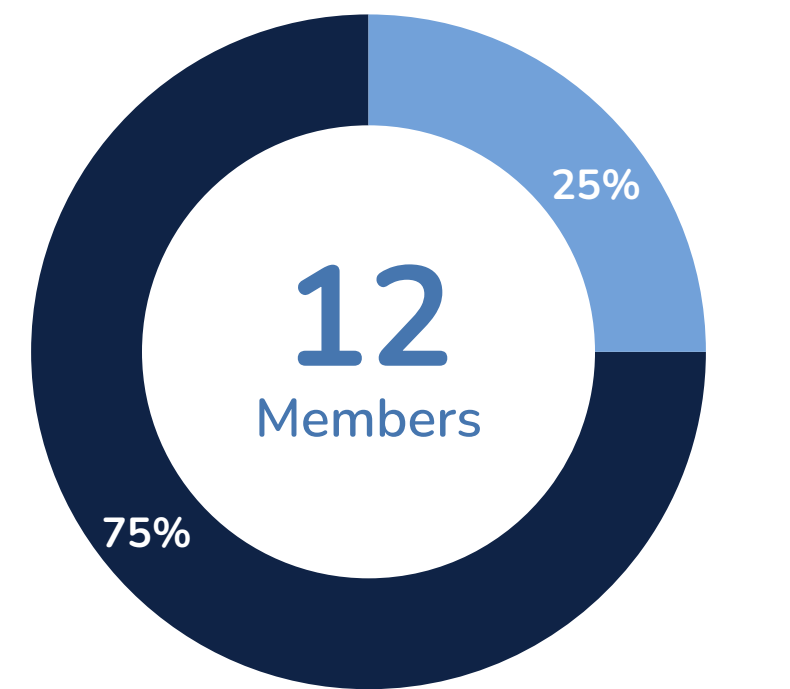




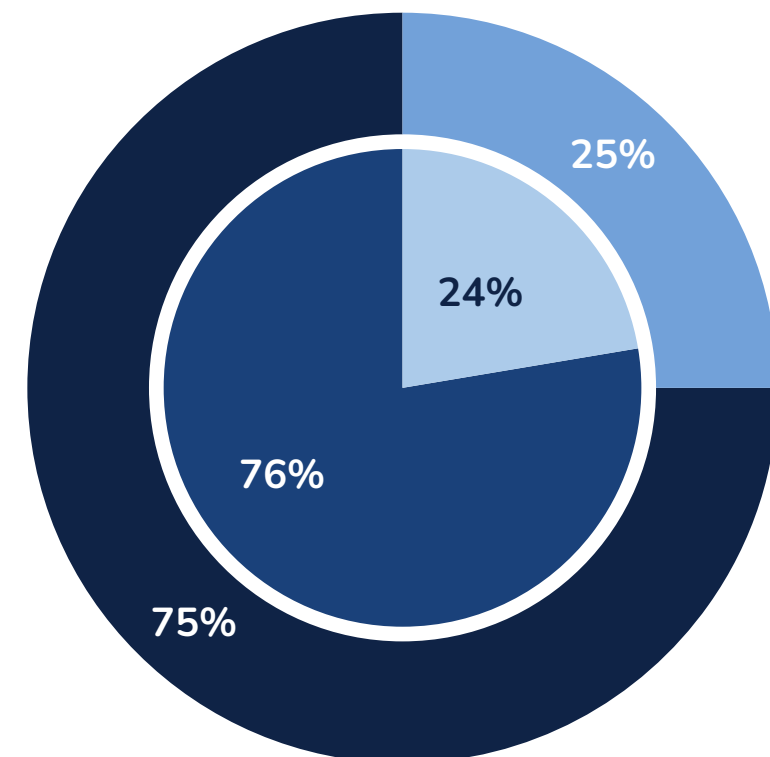
## Board



## Management Team



Female  
Male



8 Vice Presidents

Female Vice Presidents

Male Vice Presidents



25 Managers

Female Managers

Male Managers

### Board of Directors:

Exercises strategic leadership, guiding the company on crucial issues, including ESG aspects. The Board has established bimonthly meetings.

### Roles of the Board of Directors:

- Approve our annual results.
- Monitor progress towards strategic objectives.
- Define sustainability objectives for the current year.
- Supervise and evaluate progress.
- Facilitate communication and information flow to the management team.

### Environmental, Social, and Governance Committee (ESG Committee):

Supervises the execution and performance of our ESG strategy, supporting the identification and control of non-financial risks, impacts, and opportunities. Composed of at least three members appointed by the Board of Directors, it promotes communication on sustainability and continuous business improvement.

### Functions of the Committee:

- Establish the organisational tone and promote the ESG culture.
- Support key projects and review progress in relation to our ESG objectives.
- Monitor the performance of sustainability KPIs, non-financial risks and opportunities, and material ESG issues or incidents.
- Review annual sustainability reports and other disclosure materials related to ESG issues.
- Supervise compliance with legal and regulatory requirements and suggest adjustments according to the recommendations of the Board and/or investors.



*The Vice President of Sustainability, reporting directly to the CEO, leads the implementation of ESG policies and coordinates strategic initiatives. ESG decisions are made at the highest level of governance.*



Carlos Velasco, our Sustainability Vicepresident







Our people, Central Llanos

## Transparency and compliance: Building trust

We are committed to acting ethically and transparently, complying with, and in some cases exceeding, regulatory requirements. This approach ensures that our activities are conducted under the highest ethical and compliance standards, achieving operational objectives, preserving the environment, generating a positive impact on communities, and strengthening local economies. Our ethics and compliance management focuses on people's behaviour, recognising that employees are our most valuable asset. We expect all individuals associated with us to maintain integrity, honesty and transparency, representing us with the highest standards of integrity.

Additionally, we have robust policies and procedures in place for the prevention of bribery and corruption, which are integrated into the organisational culture through the implementation of corporate values of integrity and sustainability.

<b>Code of Conduct</b>	<ul style="list-style-type: none"> <li>Contains the commitment to principles of conducting activities ethically, transparently, legally, and in an environmentally, and socially responsible manner.</li> </ul>
<b>Supplier Code of Conduct</b>	<ul style="list-style-type: none"> <li>Contains the basic principles and commitments that we expect from our strategic allies, such as suppliers of goods and services, contractors and their employees, subcontractors, and other related parties. These expectations are within the framework of the commercial relationship with SierraCol Energy and encompass ethics and transparency, respect for human rights, occupational health and safety, environmental responsibilities, and community engagement, among others.</li> </ul>
<b>Anti-Bribery and Corruption Policy ("ABC Policy")</b>	<ul style="list-style-type: none"> <li>Establishes zero tolerance for bribery, illicit commissions, and any form of corruption. It also outlines mechanisms for preventing risks related to ethics and transparency, including, among others: <ul style="list-style-type: none"> <li>Internal controls: Establishes internal controls to prevent bribery and irregularities and respond to inquiries about the conduct of SierraCol Energy or our representatives.</li> <li>Accounting records: Ensures the maintenance of accurate and complete records.</li> <li>Due diligence: Establishes the obligation to conduct due diligence on all third parties with whom we have a relationship or make a payment, such as suppliers, employees, customers, and partners, according to their risk level.</li> <li>Prior authorizations: Requires obtaining approvals from the Compliance Officer, Legal Vice President, CEO, Board of Directors, and others, depending on the risk level, for activities such as giving gifts, hospitality, and social responsibility contributions, following the criteria established in the Policy.</li> </ul> </li> </ul>
<b>Reporting and Non-Retaliation Policy</b>	<ul style="list-style-type: none"> <li>Establishes the right and obligation of employees, and the possibility for any third party, to report potential violations of the law, regulations, the Code of Conduct, or any other of our policies. This includes issues related to harassment, handling of accounting records, HES concerns, among others.</li> <li>Provides a secure, confidential, and anonymous Integrity Line for receiving communications.</li> <li>Prohibits retaliation against those who report in good faith.</li> </ul>
<b>Conflicts of Interest Policy</b>	<ul style="list-style-type: none"> <li>Employees are required to declare any potential or actual conflict of interest. This reporting obligation extends to suppliers through clauses agreed upon by SierraCol Energy in our commercial contracts.</li> </ul>

We also have mechanisms for monitoring and evaluating the compliance programme, and a training programme that ensures our employees receive annual training on the Code of Conduct and related Policies.

In 2024, 100% of employees, including those who joined as a result of the acquisition of new assets during this period, were trained on the compliance programme, including the Code of Conduct and other related policies. In addition, 100% of employees submitted their annual declaration and certification of compliance with respect to our activities. Training and certification of all employees is conducted annually.

During 2025 we also expect to achieve 100% annual training of our employees in the compliance programme and annual declaration and certification of compliance with respect to the company's activities.

The Code of Conduct was updated and the Supplier Code of Conduct was adopted, which sets out minimum obligations for suppliers and contractors regarding legal compliance, integrity, anti-bribery, corruption and money laundering, fair competition, gift giving, hospitality, and conflicts of interest. Additionally, it includes obligations in human rights, working conditions, occupational health and safety, environment, and community engagement. In 2025, the Compliance and Procurement areas will conduct a campaign to familiarise suppliers and contractors with this code.





## Risks under control, ethics in action

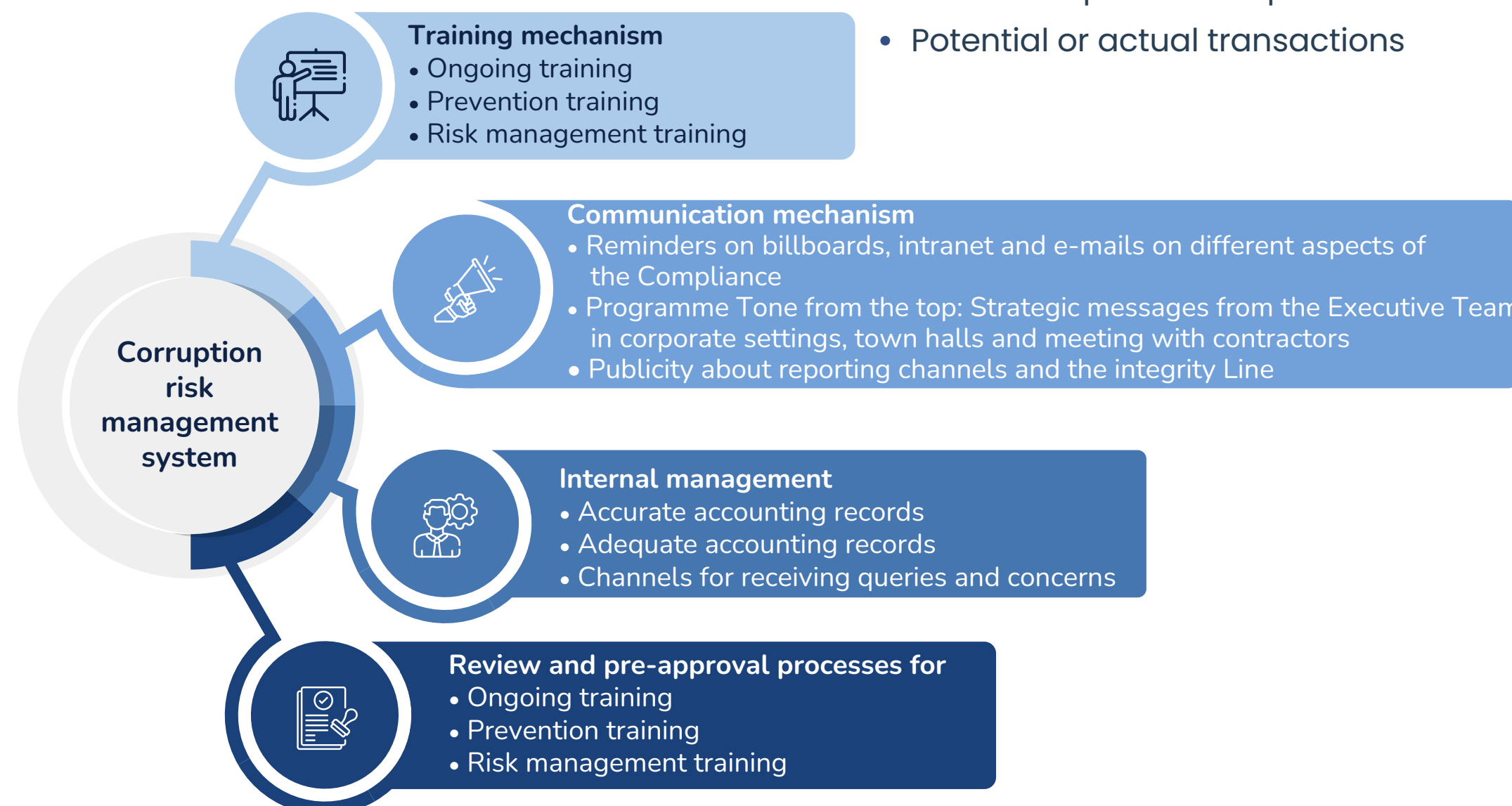
We have implemented the Anti-Money Laundering and Counter-Terrorism Financing Risk Management System (SAGRILAF) and have a Transparency and Business Ethics Programme (PTEE) in compliance with legal obligations under Colombian regulations. Additionally, we strive to exceed regulatory requirements and have adopted practices that reinforce our commitment to ethics and transparency in all operations. During 2024, we conducted a rigorous self-assessment and update process to ensure compliance with SAGRILAF and PTEE regulations. We identified

some actions to be implemented in 2025 to continuously improve business ethics and transparency.

### Evaluating risks

To assess corruption-related risks, we utilise a risk matrix that identifies and segments risks related to bribery, corruption, money laundering, terrorism financing, and the prevention of the financing of the proliferation of weapons of mass destruction (ML/TF/PWMD), in compliance with applicable Colombian regulations. This risk segmentation process is based on the evaluation of each operation, taking into account:

- Nature of the business
- Geographical location
- Relationship with third parties
- Potential or actual transactions



Additionally, the risk matrix allows for the classification and prioritisation of risks, facilitating the implementation of specific controls and appropriate mitigation measures.

In 2024, we focused on strengthening a reporting culture in risk management. Employees are encouraged to identify activities and scenarios that pose bribery and corruption risks. They also recognise that the reporting, review, and approval processes outlined in the Code of Conduct and Company policies are essential tools for maintaining transparent practices.

### Projection for 2025

- We plan to update the risk matrix to ensure its relevance and effectiveness, by incorporating best practices, recent regulatory advances, and lessons learned from self-assessments and previous analyses.
- We will continue to promote a culture of integrity where employees, suppliers, and contractors are responsible for identifying, managing, and reporting risks appropriately for their proper management, handling, and documentation.

## Leading with competitive integrity

At SierraCol Energy we have policies and procedures in place that provides guidelines for record keeping, approval procedures and appropriate behaviour. These guidelines ensure

that all operations are conducted transparently and in accordance with applicable ethical standards and corporate policies. Detailed and accurate record keeping allows for auditing and review of operations, ensuring compliance with our policies and the prevention of any acts of corruption or bribery.

Management and officers at SierraCol Energy are trained on bribery and corruption risks, actively participating in promoting an organisational culture that identifies, manages and addresses these risks. This ongoing direction ensures that all levels of the organisation promote and practice a culture of integrity and transparency, highlighting the importance of legal compliance, ethical conduct and sustainability in all areas of operation.

➤ **We do not make contributions to political parties or candidates.**

[Political contributions, lobbying and other political activities policy](#) is designed to maintain the trust of stakeholders and ensure that actions are always transparent and accountable.

➤ **In 2024, we did not receive financial assistance from any government nor are there any governments present in the corporate structure.**



## Transparency in institutional relations

We are committed to promoting transparency in institutional relations by implementing a comprehensive management approach. This approach covers several key aspects:

This management approach helps comply with applicable regulations and fosters relationships of trust and collaboration with stakeholders and government institutions. By maintaining a high level of transparency, we reinforce our reputation and commitment to integrity and corporate responsibility.



### Transparency and trust with third parties

We implement mechanisms to perform a detailed assessment of all those with whom we establish some type of relationship, addressing legal, operational and reputational risks, which allows for informed decision-making, ensuring transparency and fostering relationships of trust.

### Leading with competitive integrity

At SierraCol Energy, we reaffirm our commitment to fair competition, sustainability and transparency in the acquisition of goods and services. Our internal policies and mechanisms ensure responsible market practices, and our contracting processes ensure broad participation, focused on minimising environmental and social impacts, while fostering responsible business relationships. To achieve these goals, we use the following mechanisms:



Bernardo Ortiz, President and CEO of SierraCol Energy



#### Suppliers Code of Conduct

This code sets out the expectations and standards that our suppliers must meet, ensuring ethical and responsible practices in all business relationships. It was adopted during 2024 and is from then on included in all commercial contracts with third parties.



#### Sustainable procurement policy

Ensure that procurement minimises environmental and social impact by promoting supplier assessment in terms of sustainability and prioritising efficient products and services with low emissions and recyclable materials, which protects the environment, promotes social well-being and guarantees transparency in the value chain.



#### Competition compliance policy

Updated in 2024, this policy establishes requirements to comply with competition rules, guides the company's areas and promotes fair competition, preventing anti-competitive behaviour and the abuse of a dominant position.



## A safe environment to speak

We promote an organisational culture in which employees at all levels feel comfortable and confident that they can raise any concerns or questions about the organisation's policies and practices regarding responsible business conduct. We value transparency and integrity, ensuring that all reports are managed with the necessary confidentiality and seriousness to maintain an ethical and safe work environment.

To support this, we have a [Speak-up and non-retaliation policy](#) which establishes communication channels that are publicly accessible on the intranet, as well as in our offices and operational areas. This policy is duly

communicated to all employees as part of the annual compliance training.

### Communication channels

Our employees and the general public are invited to report through our Ethics and Compliance channels any circumstance that potentially violates the law, regulations and/or the Code of Conduct or our policies. These circumstances may include theft or fraud, bribery, corruption, conflicts of interest, HES concerns, inappropriate use of our information or assets, harassment, discrimination, violence or substance abuse in the workplace, accounting irregularities, or false or inaccurate financial reports, among others.

An independent contractor, Lighthouse, manages the Integrity Line in a secure,

confidential and anonymous manner. This line is permanently available in English and Spanish through the following means:

- **Website:** <https://www.lighthouseservices.com/sierracol>
- **Phone:** From Colombia in Spanish dial 01-800-9110011, the operator will ask you to dial your number, enter 800-603-2869 and follow the instructions. From Colombia in English dial 01-800-911-0010, the operator will ask you to dial your number, enter 800-603-2869 and follow the instructions.
- **Email:** [reports@lighthouseservices.com](mailto:reports@lighthouseservices.com) (include the name SierraCol Energy in the subject of the report).

The disclosure of contact channels was reinforced through talks with the Management Team, staff, employees and contractors in Caño Limón area and in the operations recently acquired, as well as through mass mailings to our employees through the communications area. These outreach activities will continue through 2025, ensuring 100% coverage of our operations.

In addition, we have the email [Etica-Colombia@sierracol.com](mailto:Etica-Colombia@sierracol.com) which is attended directly by the Compliance Officer. The Compliance Team is available to receive the concerns, comments and worries of people who want to raise them directly.

In 2024, we received twenty-seven (27) communications through the different Ethics and Compliance channels. Of the communications received, ten (10) were related



### Reporting and Non-Retaliation Policy

- Establishes the right and obligation of employees to raise questions, concerns or report situations that may violate the rules, the Code of Conduct, or our policies
- It contemplates the possibility that third parties may also make reports
- It prohibits retaliation against those who raise questions, concerns or reports in good faith

### 01 Reception of communications and reporting



All employees and interested parties may submit questions, concerns and/or reports about potential violations of the rules, the Code of Conduct, or our policies, or actions that compromise the reputation of the Company or our employees

### 02 Internal analysis and research



The Compliance Team receives, reviews, investigates, processes and closes reports submitted. Necessary investigations are conducted confidentially. Cooperation in investigations is expected from employees, contractors and suppliers

### 03 Application of corrective and / or disciplinary measures



If necessary, cases are escalated to the appropriate levels within the organisation and disciplinary action is taken



Our people, Central Llanos

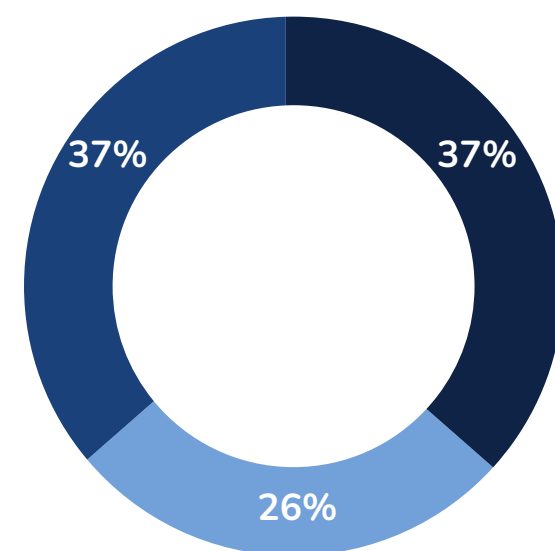




to compliance issues such as potential bribery, corruption, conflicts of interest or harassment. These were managed anonymously and confidentially by the Compliance team, seven (7) communications in labour relations were handled by the People, Culture and Services area, as they fell within its competence. Finally, ten (10) communications were general matters. In total, twenty-six (26) matters were closed in 2024, and one (1) report on alleged corruption, received in December, was closed in January 2025

Furthermore, considering that all directors, officers and employees receive periodic training in ethics and compliance, employees may report situations or ask questions to their supervisors, the People, Culture and Services department, the compliance officer, the legal department, via mail or the Integrity Line.

#### Communications received in the compliance area channels 2024



- General communications (10)
- Labour relations (7)
- Compliance (10)

## Human rights in the DNA of our operations

At SierraCol Energy, our management is based on a firm commitment to the highest standards of respect and promotion of human rights. Our Corporate [Human Rights Policy](#) declares this commitment. The policy is applicable to all employees, executives, and members of the Board of Directors.

In compliance with our policy, we are committed to respecting human rights as established in the International Bill of Human Rights, which includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights. We also adhere to the following Human Rights standards:

- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Convention on Indigenous and Tribal Peoples (ILO 169)
- UN Declaration on the Rights of Indigenous Peoples
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights (hereinafter UNGPs)
- Voluntary Principles on Security and Human Rights

- OECD Guidelines for Multinational Enterprises

As part of our commitment, we have a Security and Human Rights Policy that incorporates the recommendations established by the “Voluntary Principles on Security and Human Rights”.

Additionally, the Business and Supplier Codes of Conduct establishes and reinforces compliance with standards of respect and the promotion of human rights. These standards are communicated to all employees, contractors, and partners.



Our social team with a community representative





Community member, Casanare

## Human rights programme

We have launched a programme to implement human rights due diligence standards in line with our regulatory framework. The

programme's three action lines aim to continue best practices in due diligence, ensuring respect and promotion of human rights across all areas of our operations.

### DUE DILIGENCE



#### Identifying and analysing human rights risks and impacts

Review and update of human rights risk and impact analyses for our company.



#### Human rights risks and impact management

Strengthening our corporate regulatory framework for human rights due diligence, ensuring a preventive approach and aligned with the highest international standards.



#### Managing human rights risks and impacts in the supply chain

- Monitoring compliance with human rights clauses by selected contractor companies (32 companies since 2021).
- Work plan with security contractors.

### STAKEHOLDER ENGAGEMENT



#### Strengthening institutions

- Monitoring human rights clauses in collaboration agreements with public forces.
- Development of territorial and contribute to the promotion of human rights.



#### Involvement in transparency initiatives

- Extractive industries Transparency Initiative (EITI) Report.
- Annual verification mechanism of the mining and energy committee on security and human rights.



#### Involvement in multi-stakeholder initiatives

The Mining and Energy Committee on Security and Human Rights (CME) is an independent platform for collaborative dialogue, whose purpose is to improve human rights performance in corporate security in Colombia through public policy advocacy for more information <https://www.cmecolombia.co/>



#### Diversity, Equity and Inclusion - Strengthening Women Leadership

ALMA Women Programme 2024  
It aims to strengthen women's rights.

### RAISING AWARENESS



#### Internal and external communication

Integrate Human Rights Topics into internal and external Communications

- Communication Campaigns (National Human Rights Day / International Human Rights Day)



#### Training and culture

- Human rights training to be complete by our employees using problem - based learning (PBL) methodology.
- Identification of Best Practices and Lessons Learned

## 2024: At SierraCol Energy, we are inspired by human rights

We are committed to strengthening our corporate frameworks to ensure respect and promotion of human rights in our operations. To achieve this objective, we updated the Human Rights Policy with emphasis on respecting and promoting the human rights of vulnerable communities, specifically referring to the rights of ethnic communities, especially indigenous communities.

Likewise, the updated Human Rights Policy includes the promotion and application of good practices in human rights due diligence. This involves respecting and complying with applicable international and national regulations related to the right to prior and informed consultation of ethnic communities, as well as recognising social leadership in our areas of operation.

In 2024, we adopted the [Human Rights Due Diligence Standard](#). This corporate standard applies to all employees, officers, and Board members. It aims to establish procedures and due diligence practices for identifying, assessing, preventing, mitigating, and, if necessary, remedying risks and impacts on the human rights of employees, contractors, and community members resulting from





business activities carried out by our company, contractors, or public institutions under collaboration agreements with us.

➤ **At SierraCol Energy, we communicate the Human Rights Policy and Standard to all our contractors and partners.**

Through the Human Rights Due Diligence Standard, we established guidelines and procedures that must be followed to:

1. Identifying and periodically updating human rights risk and impact analyses.
2. Ensure due diligence in the value chain, especially by private security contractors.
3. Reporting on human rights management.
4. Accessing grievance mechanisms.
5. Training and communication on human rights.

Furthermore, the standard establishes a whole corporate regulatory system that addresses the due diligence cycle that contractors must comply with and promote in accordance with international human rights standards.

## 2024 human rights plan results

- The bidirectional risk and impact analyses on human rights for Central Llanos operations was completed, and a work plan was formulated for its management.

- We continued to follow up on risk management plans identified in analyses across all our operations.
- The Corporate Regulatory Framework for Human Rights was enhanced with the updated Human Rights Policy and the issuance of the Human Rights Due Diligence Standard, as previously described.
- Human rights training was updated, and 100% of employees completed this training module.
- Follow-up evaluations, aimed to improve procedures and adopt best practices, were conducted with 10 contractor companies to verify compliance with human rights, security, and ethical clauses in commercial contracts. The contractor companies were selected based on risk criteria.
- We promoted and participated in joint risk analysis exercises on security and human rights for structuring collaboration agreements with public forces.
- We reported the EITI Standard through Asociación Colombiana del Petróleo y Gas (ACP).
- We participated in all the group work sessions of the Mining and Energy Committee on Security and Human Rights (CME). This multi-stakeholder initiative in which we are a permanent member, is an observer of the Internacional Initiative of Voluntary Principles on Security and Human Rights. Historically it has been an ally of the National Government for the formulation of the National Plan on business and human rights.

Throughout 2025, we will continue implementing our human rights plan.

**“We are committed to respecting and promoting Human Rights”**



Community representatives and our social team



## Driving growth: Financial performance

At SierraCol Energy, we are dedicated to the exploration and production of hydrocarbons, prioritising operational efficiency and sustainability. Our business model is based on creating value through resource optimisation and the implementation of advanced technologies to maximise production while minimising environmental impact, adapting to a constantly evolving energy market.

We are committed to upholding high standards of transparency and accountability, which is why we publish our financial information in the Extractive Industries Transparency Initiative (EITI), allowing our stakeholders to access accurate and verifiable data regarding our economic contributions to the state.

We play a significant role in the economic development of the regions in which we operate. We generate direct and indirect employment and drive economic growth through our solid social investment programme, the payment of financial expenses, taxes, and royalties, as well as the remuneration to our shareholders.

In 2024, despite an average Brent price of US\$ 79.8 per barrel, we managed to generate a solid EBITDAX of US\$ 702 million and a Free Cash Flow of US\$ 242 million. These results demonstrate the robustness of our financial and operational management, even in the face of market challenges.

➤ **Certified 2P reserves stand at 128 million boe, 99% oil, with an R/P ratio of 9.7 years and an RRR of 176%. Certified 1P reserves stand at 89 million boe, with an R/P ratio of 6.7 years and an RRR of 134%.**

➤ **Net sales volumes increased by 3.3 kboepd. From 33.1 kboepd for the year ended 31 December 2023, to 36.4 kboepd for the year ended 31 December 2024, demonstrating a strengthening in our production capacity, and the output from the 2024 acquired assets.**

➤ **Royalties paid in kind in 2024 remained in line compared to 2023 at 1.3 million barrels.**

The main financial indicators reflecting this performance include:

### Financial and operational results<sup>5</sup> (US\$ million – unless otherwise stated)

	2020	2021	2022	2023	2024
Share Before Royalties and Price Clauses (kboepd)	44.8	43.3	44.3	43.0	44.8
Oil and gas net sales (kboepd)	37.5	33.3	32.1	33.1	36.4
Income tax paid	63.8	56.3	132.1	197.1	150 <sup>6</sup>
Royalties <sup>7, 8, 9, 10, 11</sup>	69.2	91.2	118.1	103.0	97.7

<sup>5</sup> For more information about our financial and operational results, please refer to the investor section within our web site.

<sup>6</sup> In the Consolidated Statement of Cash Flows, the income tax payments include US \$ 150 million for the 2023 Corporate Income Tax settlement, and \$ 33 million of withholding tax paid in advance for the 2024 taxable year.

<sup>7</sup> For 2020, were 1.8 million barrels paid in kind and estimated at an average price of US \$ 39.1 per barrel this equates to US \$ 69.2 million.

<sup>8</sup> For 2021, were 1.4 million barrels paid in kind and in cash and estimated at an average price of US \$ 64.8 per barrel this equates to US \$ 91.2 million.

<sup>9</sup> For 2022, were 1.3 million barrels paid in kind and in cash and estimated at an average price of US \$ 91.9 per barrel this equates to US \$ 118.4 million.

<sup>10</sup> For 2023, were 1.3 million barrels paid in kind and in cash and estimated at an average price of US \$ 76.3 per barrel this equates to US \$ 103.0 million.

<sup>11</sup> For 2024, were 1.3 million barrels paid in kind and in cash and estimated at an average price of US \$ 73.6 per barrel this equates to US \$ 132.7 million.



Alejandro Piñeros, our Chief Financial Officer



# Operational excellence

**0.33**  
Total recordable incidents rate

**1** event tier 1  
**4** events tier 2  
Events by Tiers

**3**  
Number of recordable incidents

**Zero**  
Fatalities

**Zero**  
Material cyber security incident rate

**100%**  
Implementation of the information security and cybersecurity awareness programme





Central Llanos

# Operational excellence

## Prevention in action: Our culture, our strength

At SierraCol Energy, safety is embedded in our DNA. Since our creation, we have continuously worked to maintain an industrial safety culture at all levels integrating best practices into every aspect of our operations. That is why throughout 2024, our Operations Management System evolved into the broader [Integrated Operational Management System \(HESMS\)](#), ensuring

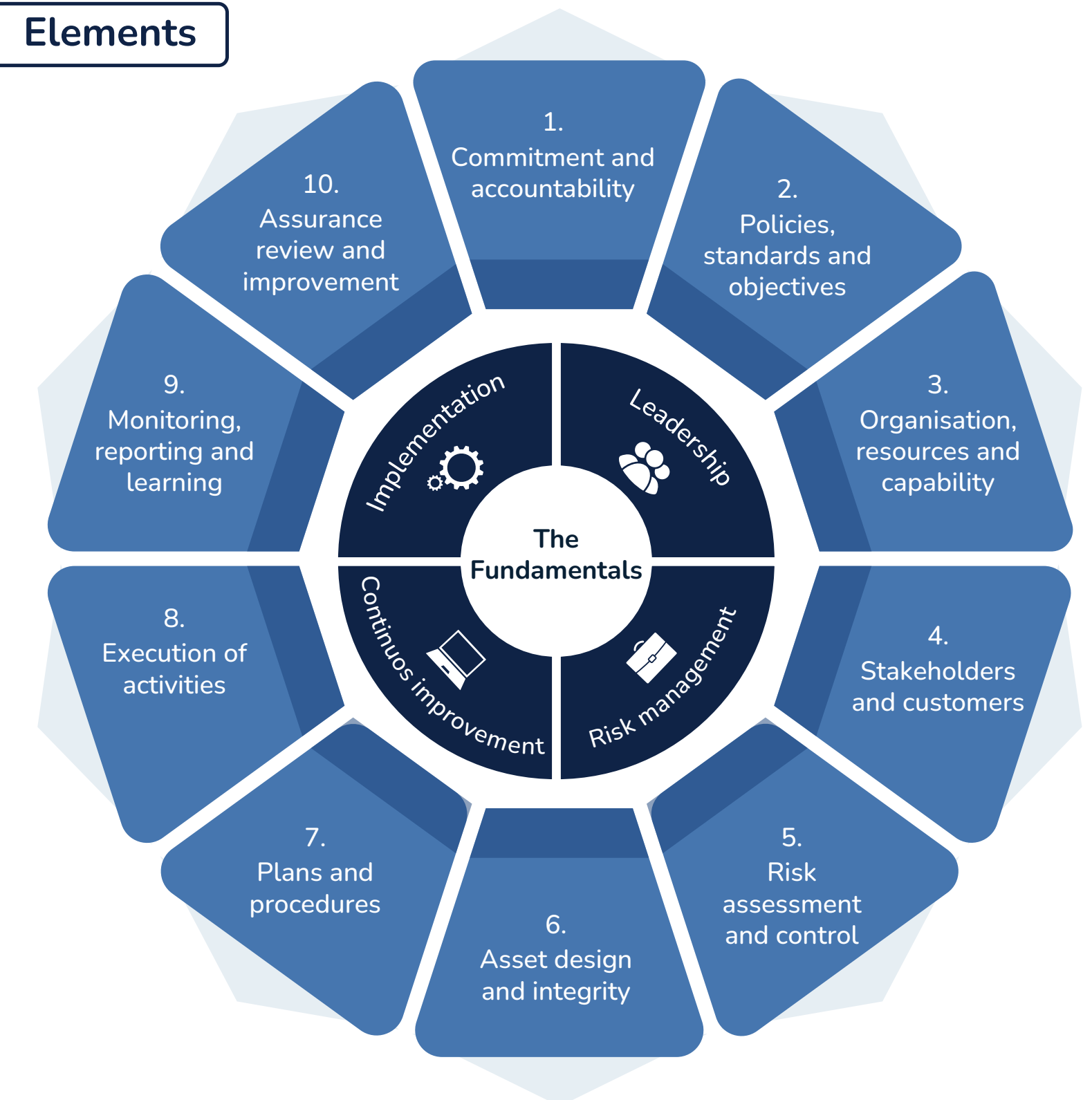
its application across all SierraCol Energy work sites. It reinforces the process safety, asset integrity, and risk management while ensuring full alignment with IOGP 510, ISO 14001:2015, ISO 45001:2018, and Colombian regulations such as Decrees 1072 and 1076/2015, and Resolution

0312/2019. This allows us to optimise resources, establish common objectives, and improve communication and training in sustainable and safe practices, thereby reducing workplace incidents and promoting operative excellence.

### Integrated Operational Management System (HESMS)

➤ 100% of the employees are covered by the occupational health and safety management system

#### Elements





We also updated our **Integrated Safety, Occupational Health, Environment, Risk Management, and Social Responsibility Policy** in line with our commitment to ensure legal compliance, effective integration of our operations into the HESMS, through clear procedures, constant training, effective communication, responsible risk management and continuous improvement in all our activities.

In 2024, the international certification body APPLUS+ conducted a comprehensive audit of our management system, as a result, we successfully maintained and obtained recertifications for all SierraCol Energy operations, reaffirming our commitment to operational excellence, safety, and environmental sustainability.

## Enhancing worker participation

Employee involvement in the development, implementation, and continuous improvement of the Health, Environment, and Safety Management System (HESMS) is essential. We provide structured participation channels, such as health and safety committees and training sessions, allowing workers to voice concerns, contribute to policy reviews, and drive improvements.

If gaps in communication or participation are identified, we take immediate corrective action, adjusting our engagement strategies to ensure an inclusive and effective safety culture.

## Comprehensive asset management to ensure safe and sustainable operations

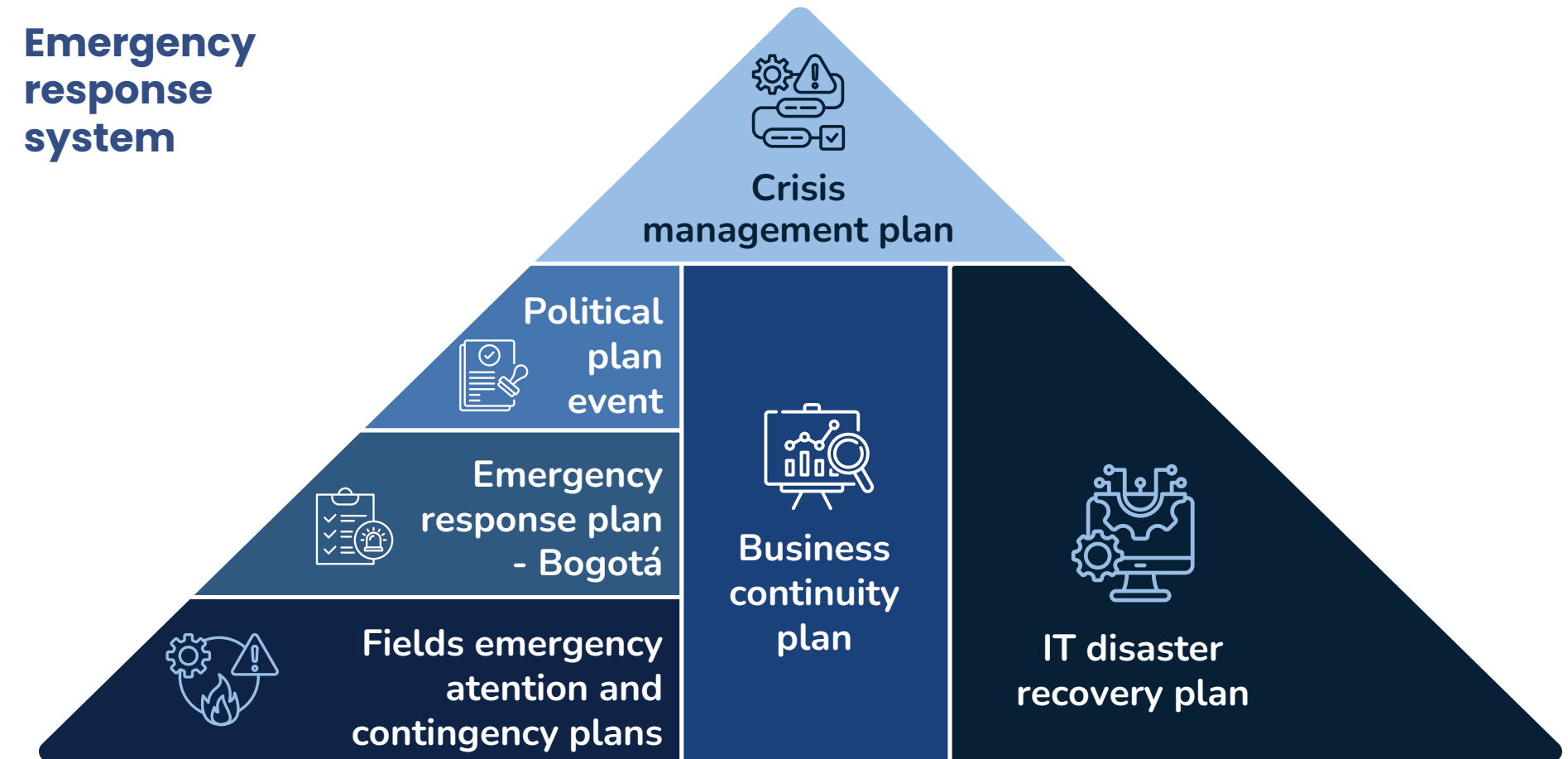
Safety is our priority. We are committed to continuously enhancing our systems to ensure safe operations and to fostering a robust risk management culture. Effective risk management is vital for our operations. We identify hazards and implement controls to prevent their occurrence, based on an assessment of the event's consequences and likelihood. Following this assessment, we develop a response plan that prioritises the risks and outlines the necessary measures and approvals for each identified risk.

We continue to enhance our process safety programme, adhering to spill regulations and upholding an environmentally responsible business. Our strategy encompasses daily spill prevention efforts, comprehensive risk management plans for each site, and periodic inspections and mechanical integrity assessments to mitigate potential risks.

**Response mechanisms in place in case of accidents.**

**No significant spills since 2020**

### Emergency response system



In 2024, we recorded a Tier 1 well control incident in our operations at La Cira Infantas (LCI). On 19th March 2024, a master valve failure during a rigless operation at CIRA 5083 caused a well containment incident, resulting in a surface release of 110 barrels of completion fluid. The emergency response was activated, and the situation was controlled by 21st March. There was no impact on personnel, and no ignition occurred. However, contamination from a mix of completion fluid and hydrocarbons affected the soil and surrounding vegetation. The Tier 1 level investigation revealed deficiencies in standards adherence, equipment integrity, and risk analysis, leading to specific recommendations, procedural changes, and an update of our HESMS operational management system.

In addition, we recorded four Tier 2 events:

1. Central Llanos: Fire in an electric generator.
2. Caño Limón area: Fire in the API oil-water separator sump.
3. Caño Limón area - Cosecha pipeline: Loss of primary containment.
4. Caño Limón area - Yarumales pipeline: Loss of primary containment.

In comparison to our established goal of a maximum of 1 Tier 1 event and a maximum of 3 Tier 2 events, we successfully met the goal for Tier 1 events. However, there was one additional Tier 2 event. Importantly, none of these events affected people, and timely identification and emergency management were crucial in preventing any additional impact.

All Tier 1 and Tier 2 events were rigorously investigated to determine root causes and lessons learned. The findings and necessary



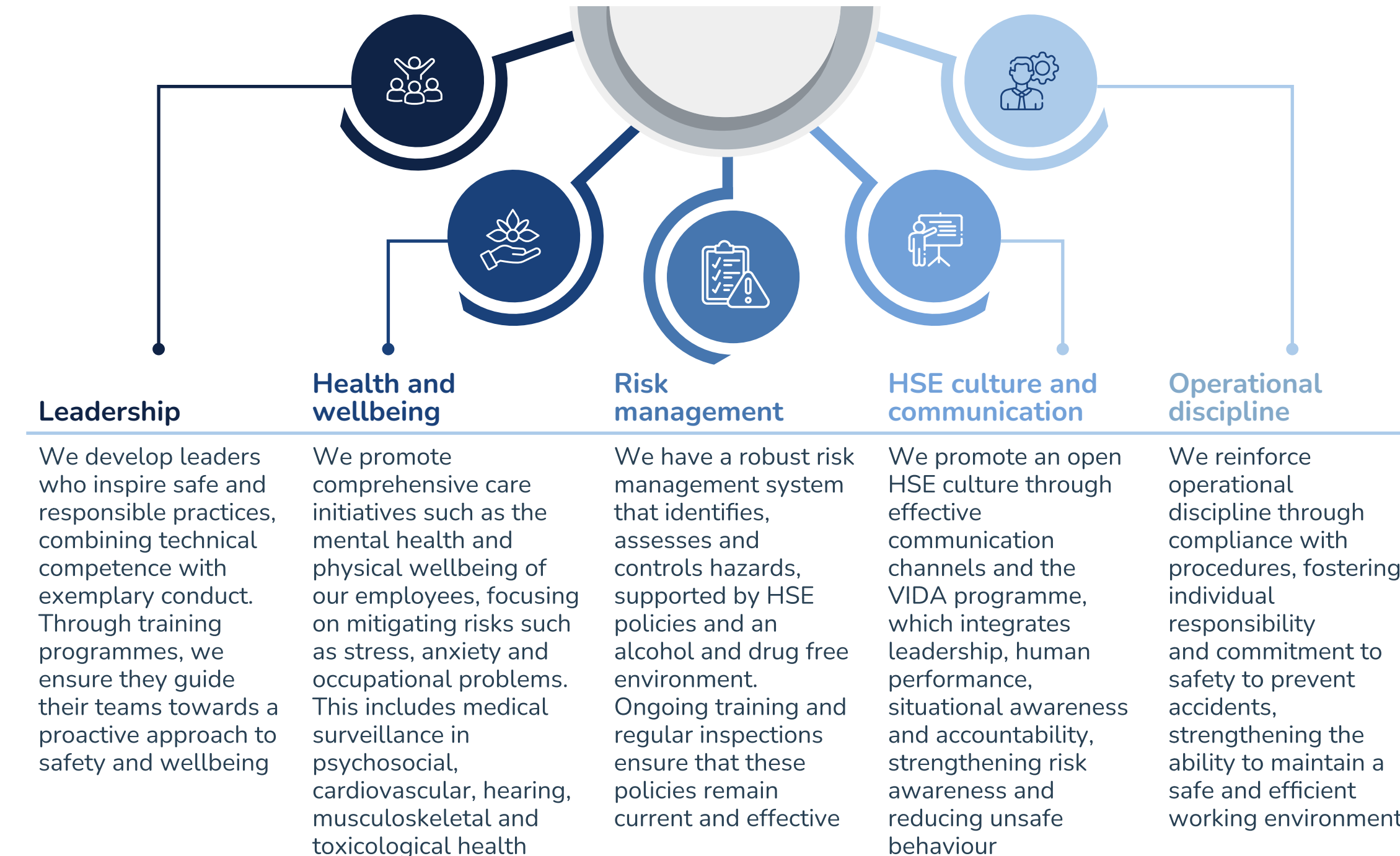
corrective plans to prevent future accidents are shared across different fields.

Over the years, minor leaks and spills in collection systems have been the most frequent process events in our operations. To address this, we have implemented a multi-year risk-based plan led by the mechanical integrity area, focusing on improving flowline integrity across our operations. Given the challenge of incorporating new assets, we are striving to standardise requirements and achieve excellence in process safety management systems.

## United by life: Building a safe work environment together

At SierraCol Energy, safety is a collective responsibility. Our five-pillar strategy has allowed us to embed safety into every aspect of our operations, ensuring that employees, contractors, and stakeholders actively contribute to a risk-aware, incident-free workplace.

By implementing a structured five-pillar strategy—Health & Well-being, Leadership, Risk Management, HSE Culture & Communication, and Operational Discipline—we have



strengthened our commitment to safety, sustainability, and operational excellence. This approach has optimised resource efficiency, improved communication, and reduced workplace incidents, driving us toward an incident-free culture.

By involving employees in every step of the process, we ensure that each member understands their role in creating a safe work environment. This shared commitment reinforces our ability to operate safely and sustainably, adding value to both our operations and our human team. “United by

life” is not just a slogan, but a joint commitment to excellence in safe performance.

A cornerstone of this approach is our Dynamic Risk Management programme, as part of fundamental risk management pillar, DRM provides a structured framework for identifying and mitigating risks before they escalate into incidents. This proactive methodology has ensured safer work environments across all our operations and has driven our La Cira Infantas (LCI) field site to achieve an outstanding record: two consecutive years with zero recordable incidents.

Additionally, our VIDA programme reinforces a culture of accountability and proactive risk management, equipping every worker with the knowledge, tools, and authority to make safe decisions in real-time. VIDA is built upon four essential elements that shape our safety culture:

- 1. Leadership with purpose:** Leaders play a critical role in inspiring and guiding teams to uphold the highest safety standards. Through active engagement, coaching, and continuous training, they ensure that every worker integrates safety into daily operations.
- 2. Human performance engineering:** By designing work processes that minimise human error, we promote safer behaviours, clear decision-making, and the reinforcement of best practices through structured procedures and training.
- 3. Situational awareness:** Employees are encouraged to proactively identify hazards and remain alert to potential risks in their environment. Safety talks, strategic meetings, and internal communication channels play a vital role in reinforcing this awareness.
- 4. Life-saving responsibility:** The final element of VIDA is the foundation of our Stop Work Authority (SWA) policy, which goes beyond a procedural step—it is a core safety principle. At SierraCol Energy, SWA means that workers are empowered to stop any task when a risk is identified, reassess hazards, implement necessary controls, and resume work only when it is completely safe to do so. This right is an essential part of our commitment to ensuring that every individual has the ability and responsibility to protect lives.





Our commitment to physical and mental well-being is further reinforced by our Healthy Organisation programme, which has been instrumental in promoting work-life balance, stress management, and preventive health initiatives.

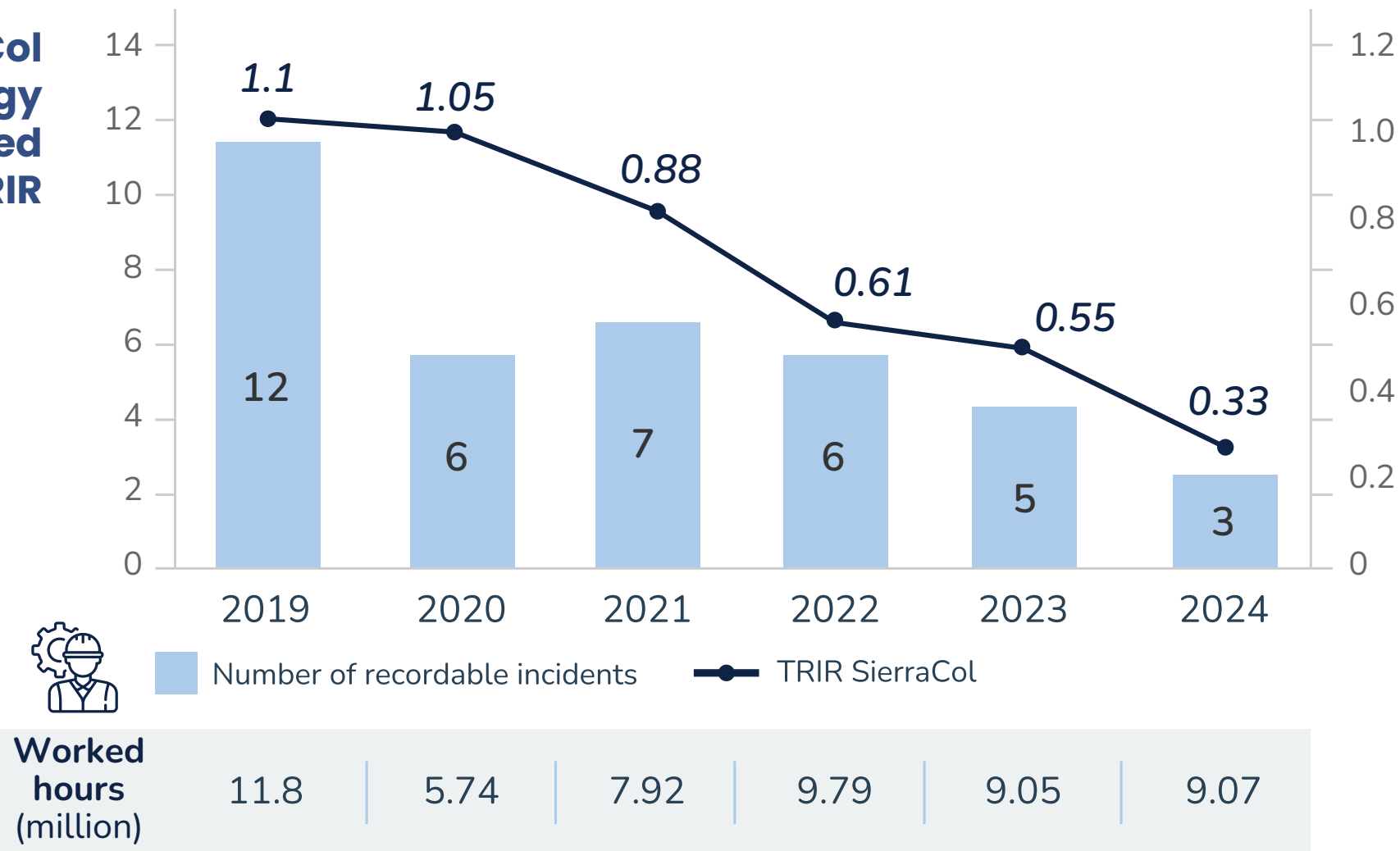
## Our people, our priority: Building a healthy workplace

Our employees are the heart of our operations, and their safety and well-being remain our top priority. Over the past five years (2019–2024), we have consistently improved its occupational health and safety performance, with tangible results that reflect our commitment to continuous improvement.

<sup>12</sup> LTIF (lost time incident rate frequency) = number of LTI incidents x (1 million hours worked).

<sup>13</sup> TRIR (total recordable incident rate) = number of recordable incidents x (1 million hours worked).

### SierraCol Energy consolidated TRIR



- 1.61 million hours worked by direct employees
- 7.45 million hours worked by contractors
- 9.07 million hours worked by
- Zero fatalities
- LTIF direct employees 0.62<sup>12</sup>
- Lost Time direct employees 1
- LTIF contractors 0.27
- Lost Time contractors 2
- LTIF combined 0.33
- Lost Time Combined 3
- TRIR direct employees 0.62<sup>13</sup>
- Recordables direct employees 1
- TRIR contractors 0.27
- Recordables contractors 2

- TRIR combined 0.33
- Recordables combined 3
- Lost Time Incidents: 2021: 5; 2022: 5; 2023: 4 and 2024: 3

Our Total Recordable Incident Rate (TRIR) has decreased by 70%, from 1.10 in 2019 to 0.33 in 2024, demonstrating the effectiveness of our prevention initiatives and risk management approach. This steady decline in TRIR, despite operational growth in some years, highlights the resilience of our safety culture and the robustness of our risk control strategies.

The TRIR trend also reveals key learnings—in 2020, an increase in reportable incidents underscored the need for deeper analysis,



Our people, Central Llanos

leading us to implement enhanced incident investigation processes and stronger risk mitigation measures. These improvements have contributed to a sustained reduction in incident rates, proving that our proactive safety approach delivers tangible results.

The main types of injury for employees and contractors were: amputation and blow, contusion or crushing. At sites not directly operated by our company, the predominant risk is associated with biomechanical factors, particularly musculoskeletal issues.

As we move forward, we remain committed to continuous improvement, leveraging advanced risk assessment tools, enhancing safety training programmes, and strengthening our leadership-driven safety culture.







Operators in Caño Limón area

## Safety comprehensive training

At SierraCol Energy, we prioritise continuous learning and skill development through a structured occupational health and safety training programme. This programme follows a competency matrix by role and includes:

- HSE Induction
- Emergency Response Plan
- Hazard and Risk Concepts

- Critical Task Safety
- Industrial Hygiene and Ergonomics
- Environmental Management and Regulatory Compliance

Training courses are regularly updated every three years or more frequently when required by regulatory changes or industry best practices.

➤ **4,126 man hours of health and safety training**

In addition, specific courses related to critical tasks and environmental management are offered. These include training on aspects and impacts, licenses and permits, as well as process safety and management of change. The frequency of each course varies according to needs and role, with some being annual and others every three years, depending on legal or procedural updates. All training is meticulously documented, recording the topics covered, participants, and results obtained in evaluations.

Our efforts extend beyond training, the Joint Health and Safety Committee (COPASST) plays a fundamental role in our occupational health and safety strategy. Composed of both company representatives and employees, COPASST actively identifies and assesses occupational risks, conducts workplace inspections, investigates incidents, and proposes preventive measures. Through ongoing collaboration and structured feedback

mechanisms, the committee ensures that our safety policies remain effective and aligned with our operational realities.

### COPASST functions

- Identification and assessment of occupational hazards and risks.
- Periodic inspections in work areas.
- Investigation of workplace incidents and accidents.
- Proposal of corrective and preventive measures.
- Review and update of health and safety procedures.
- Monitoring the implementation of corrective measures.
- Promotion of a prevention culture through training and awareness.



Operator in Central Llanos

- Participation in the planning and execution of occupational health programs.

### COPASST composition

- Each operated field has its own COPASST, ensuring site-specific risk management and compliance.
- Committees consist of an equal number of employer and employee representatives, fostering collaborative decision-making and enhancing preventive measures.

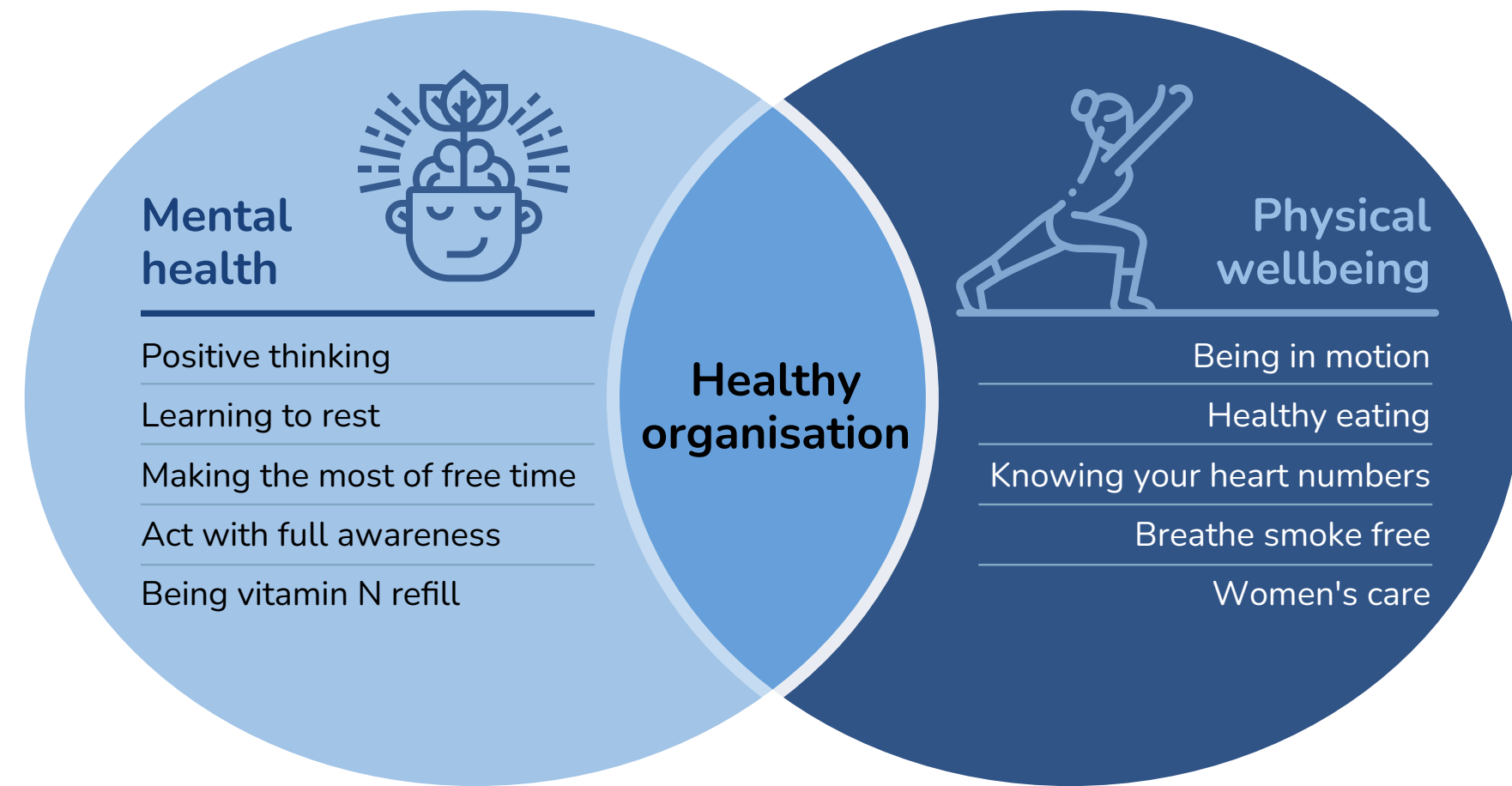
### Frequency of meetings

- COPASST holds monthly meetings at each operated field, ensuring ongoing supervision of occupational health and safety conditions.
- Additional meetings may be scheduled as required to address urgent safety concerns or regulatory updates.



## Ensuring our employees' health

We systematically manage occupational risks through medical and epidemiological surveillance programmes. Since our establishment in 2020, we have had zero diagnosed work-related illnesses.



Our Healthy Organisation strategy promotes both physical and mental well-being, providing employees with resources to maintain a balanced and healthy lifestyle. Key initiatives include:

- **Ongoing epidemiological surveillance** programmes to monitor and control workplace health risks.
- **Ergonomic assessments** and workplace adaptations to prevent musculoskeletal disorders.
- **Mental health awareness campaigns**, ensuring employees have access to

support systems and professional guidance.

- **Leadership-driven initiatives** encouraging a culture of care and well-being.

As a result of these efforts, we were once again certified as a "Healthy Organisation" by the Asociación Colombiana del Corazón in 2024.

Through our commitment to safety, health, and continuous improvement, we ensure that our workforce remains protected, engaged, and empowered to operate in a secure environment.

## Protecting our people

At SierraCol Energy, we regard security as a fundamental pillar of sustainable development. We demonstrate this commitment by adhering to the Voluntary Principles on Security and Human Rights with the highest standards of due diligence. As part of our efforts, we conduct thorough analyses of human rights risks and impacts, placing a strong emphasis on security and collaboration with government institutions. Our comprehensive security approach encompasses:

- **Specialised services:** Hiring highly trained private security companies.
- **Advanced technology:** Use of CCTV (closed-circuit television) systems for continuous monitoring.
- **Technological innovation:** Implementation of BVLOS (beyond visual line of sight) drones for broader coverage.
- **Strategic collaboration:** Adequate relationship with public forces to effectively manage operational risks.

We have a group of specialised professionals dedicated to the continuous contextual security analysis to identify alerts, enhance our security infrastructure, and ensure the protection of our operations.

### Awareness: Training and Initiatives

Ensuring the safety and well-being of our employees and contractors remains a fundamental priority. During 2024, we increased

the frequency of practical workshops for managing security risks related to human rights issues, such as extortion and kidnapping, using an internal platform adapted to the needs of our operations.

We continuously reinforce our commitment to human rights through active participation in the Mining and Energy Committee (CME) and its working groups. This multi-stakeholder forum promotes best practices in security and human rights due diligence. Through its annual verification mechanism, the CME highlights progress on responsible recommendations and identifies opportunities for improvement.

In 2024, 97% of private security personnel in the Caño Limón area, LCI, and Bogotá, and 92% of those in Central Llanos received formal training in human rights.



Our people, Central Llanos



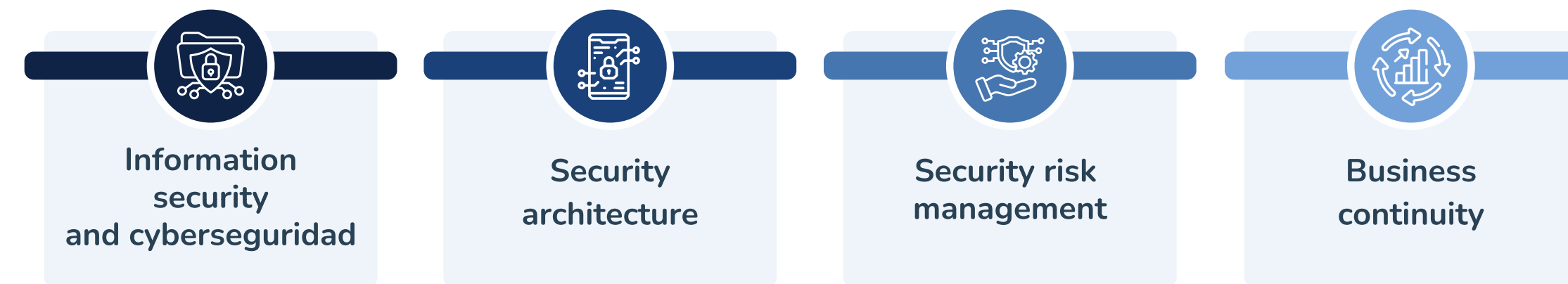
On the night of September 2, 2024, our CRC-CLM pipeline experienced a terrorist attack by an illegal armed group in Arauca. Through strategic planning, efficient coordination between operational areas, and support from authorities, we promptly contained the incident, mitigating environmental impact and ensuring the protection of neighbouring communities. Our team and contractors completed repairs within 48 hours, without affecting production or the environment. This event underscores our ability to address adversities with a preventive and proactive approach, reaffirming our commitment to sustainability, safety, and operational continuity in challenging environments.

## Cyber resilience: A strategic asset for the future

We reaffirm our commitment to information security and cybersecurity as strategic elements to protect our operations and ensure business sustainability. Our [Information Security and Cybersecurity Policy](#) establishes clear guidelines for the responsible use of information resources and assets, promoting rigorous compliance with security guidelines. We base our strategy on the National Institute of Standards and Technology (NIST) framework,

which allows us to manage and mitigate cyber risks in a comprehensive manner, identifying, protecting, detecting, responding and recovering from threats.

The Information Technology Manager and the Cybersecurity team lead the protection and



This holistic approach reinforces our commitment to digital resilience and operational sustainability.

### Strategy and governance in the digital age

In a rapidly evolving cyber security landscape, especially in 2024, with the rise of emerging technologies such as artificial intelligence and the expansion of connectivity through the Internet of Things (IoT), implementing preventative initiatives enables us to act early against risks of unauthorised access, targeted attacks and operational disruptions, which can directly affect the critical infrastructure that underpins our operations.

We continue to strengthen our information security and cyber security governance

management of information assets, ensuring the confidentiality, integrity and availability of data. We have advanced technological tools and a team of highly trained professionals specialising in:

framework, based on robust policies, standards and guidelines that incorporate international best practices and regulatory requirements. This framework has the active involvement of the executive team through the Cybersecurity Strategic Committee, which meets quarterly, and the board, which reviews it semi-annually in the Finance and Audit Committee. This structure ensures effective alignment with our strategic objectives and ensures consistent implementation of plans and policies across the organisation.

In 2024, we consolidated our Information Security and Cybersecurity Strategic Plan (ISSP), integrating information security into our corporate strategy. This plan reinforces our commitment to digital asset protection and operational sustainability through the following initiatives:



Our people, Caño Limón area

- **Skills development and awareness:** We implement an annual information security and cyber security awareness plan for employees and contractors with access to our systems. This plan includes practical simulations, such as phishing and social engineering exercises, to foster a strong cyber security culture.
- **Proactive risk management:** We conduct regular assessments through Ethical Hacking tests and vulnerability scans to identify the exposure of our information assets. The findings are the basis for developing and implementing effective mitigation plans.
- **Strengthening cloud security:** We continuously improve our security posture for cloud services, ensuring the protection of our operations in digital environments.
- **Disaster recovery strategy:** We update, strengthen and test our Disaster Recovery Plan





(DRP), ensuring effective response to critical incidents.

- **Automation network (OT) security:** We aligned our field operations' automation networks with market best practices, reinforcing protection in critical operating environments. In addition, we completed risk assessment and management exercises, identifying and mitigating potential vulnerabilities to ensure the security and resilience of our operations.
- **Crisis Management Plan update:** We included the chapter on dealing with crises arising from a cybersecurity incident in the corporate crisis management plan, which incorporated tabletop exercises and training for committee members.



Our people, Caño Limón area

The progress and outcome of our Strategic Information Security and Cybersecurity Plan is monitored quarterly in the Strategic Cybersecurity Committee (CEC) to ensure effectiveness, detect and correct any deviations in a timely manner, and optimise the resources allocated to these activities. The Plan also fosters continuous improvement in risk management and builds stakeholder confidence by demonstrating a tangible commitment to security and resilience in the face of emerging threats.

## Preventive measures for a resilient environment

In 2024, we strengthened our approach by integrating advanced threat detection technologies and AI-powered tools for proactive digital assets protection. We maintained constant communication with government entities such as the National Police's Command, Control, Communication and Computing Centre (C4) and specialised cybersecurity entities through our Security Operation Centre (SOC) while updating our incident response protocols. We have also promoted continuous training of our staff and fostered close collaboration with our strategic partners.

In line with our preventive approach, we renewed our cyber insurance policy to better address digital environment risks. Our updated and thoroughly tested incident response procedure ensures effectiveness against potential threats. Additionally, we conducted an

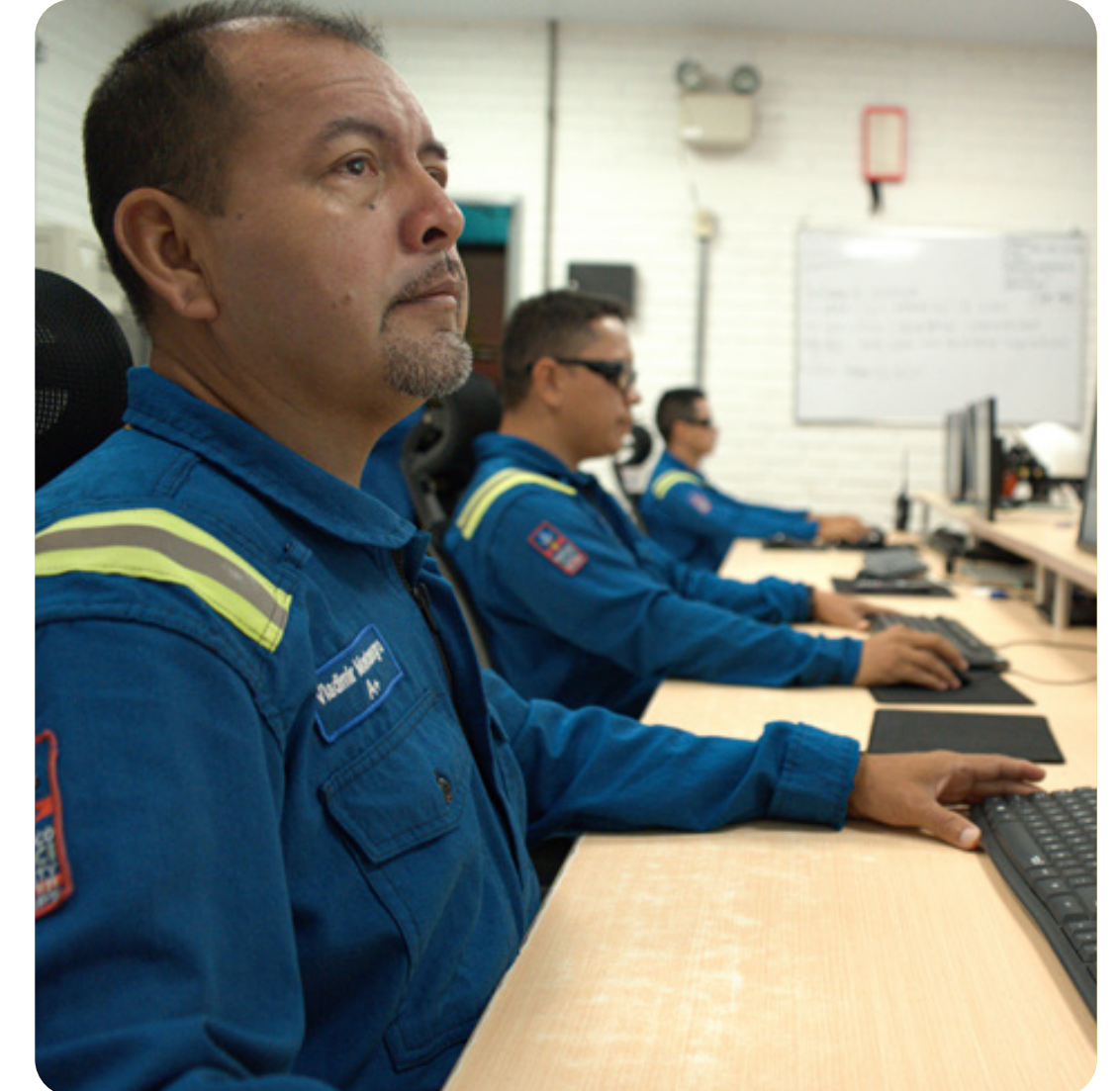
internal audit of our information security procedures to verify compliance, effectiveness, and alignment with best practices. This comprehensive approach reinforces our commitment to ensuring operational continuity, protecting our critical assets and safeguarding the confidence of our stakeholders.

**Prevention strategy:** We have established performance indicators to measure compliance with the defined objectives, including:

- Systems covered with Security Baseline (SBC).
- Execution of Ethical Hacking and penetration tests.
- Systems with vulnerability analysis.
- Cybersecurity incidents.
- Implementation of risk treatment plans.
- Execution of cybersecurity certification and phishing simulation exercises.

## Cybersecurity milestones: 2024 achievements and successes

- Achieved a level 3.5 rating out of a possible four, on the Marsh McLennan model cybersecurity maturity assessment, indicating that our security and cybersecurity capabilities are mature, and that the cybersecurity programme includes cyber resilience features.



Our people, Central Llanos

- Maintained a zero-material cyber security incident rate.
- Implemented 100% of the information security and cyber security awareness programme.
- Certified 99.9% of employees and contractors with access to our information systems in cybersecurity.
- Delivered special cybersecurity risk-based training for executives and vice presidents on issues related to crisis management for materialised cybersecurity incidents.
- Renewed our cybersecurity policy effective 2024 - 2025.





Control room, Caño Limón area

## SUCCESS STORY

# ISO 27001:2022 Certification



Operational Excellence



SierraCol Energy



SierraCol Energy

## Project description and objectives

In February 2024, we achieved a significant milestone by obtaining the ISO 27001:2022 certification for our Information Security Management System (ISMS). This accomplishment highlights our commitment to proactive risk management, security awareness, and compliance with regulations, enabling us to maintain the trust of our stakeholders and protect the integrity and availability of information. As the digital landscape continues to evolve, we remain focused on continuously strengthening our capabilities, adapting agilely to ensure not only the secure continuity of our operations but also

sustained improvement that supports the long-term sustainability and growth of our organisation.

## Achievements and results

The ISO 27001:2022 certification demonstrates that the company's Information Security Management System (ISMS) possesses the necessary maturity and robustness, in line with the standard's requirements, covering:

- Financial Management (Banking Management and Corporate Financial Reporting).
- Supply Chain Management (Suppliers and Procurement).
- Production Management (Daily Production Settlement of Caño Limón area).



Our people, Caño Limón area



# Appendices

*Chelonoidis carbonaria*, Central Llanos



# GRI

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	GRI SECTOR STANDARD REF. NO.
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organisational details	Page 7	
	2-2 Entities included in the organisation’s sustainability reporting	Page 4	
	2-3 Reporting period, frequency and contact point	Page 4	
	2-4 Restatements of information	The historical series of emissions were adjusted due to the inclusion of the Caracara and Llanos 22 blocks acquired during the reporting period	
	2-5 External assurance	Page 4	
	2-6 Activities, value chain and other business relationships	Page 8	
	2-7 Employees	Page 56	
	2-8 Workers who are not employees	The average number of contractor workers in 2024 in the Caño Limón area, LCI and LLC operations was 3,491	
	2-9 Governance structure and composition	Pages 61 and 62	
	2-10 Nomination and selection of the highest governance body	Pages 61 and 62	
	2-11 Chair of the highest governance body	Pages 61 and 62	
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 61 and 62	
	2-13 Delegation of responsibility for managing impacts	Pages 61 and 62	
	2-14 Role of the highest governance body in sustainability reporting	Page 62	
	2-15 Conflicts of interest	The company establishes clear processes and limits to prevent and mitigate conflicts of interest within the Board of Directors, ensuring impartial and transparent decision-making	
	2-16 Communication of critical concerns	Page 66	
	2-17 Collective knowledge of the highest governance body	Page 62	
	2-18 Evaluation of the performance of the highest governance body	Performance evaluations are not made for the governance body	
	2-19 Remuneration policies	Page 57	
	2-20 Process to determine remuneration	Page 57	
	2-21 Annual total compensation ratio	This information is not revealed, due to confidentiality and security matters	
	2-22 Statement on sustainable development strategy	Page 8	
	2-23 Policy commitments	Page 63	
	2-24 Embedding policy commitments	Page 63	
	2-25 Processes to remediate negative impacts	Pages 47 and 48	
	2-26 Mechanisms for seeking advice and raising concerns	Page 47	
	2-27 Compliance with laws and regulations	Page 66	
	2-28 Membership associations	Page 10	
	2-29 Approach to stakeholder engagement	Page 47	
	2-30 Collective bargaining agreements	Page 55	





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	GRI SECTOR STANDARD REF. NO.
<b>Material topics</b>			
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Page 10	
	3-2 List of material topics	Page 10	
<b>Economic performance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 70	11.2.1
<b>GRI 201: Economic Performance 2016</b>	SC02- Royalties (US Million)	Page 70	
	SC02- Income tax paid (US Million)	Page 70	
	SC02- Share Before Royalties ("SBR") production (kboepd)	Page 70	
	SC02- Oil and gas net sales (kboepd)	Page 70	
	201-2 Financial implications and other risks and opportunities due to climate change	Page 24	11.2.2
	201-3 Defined benefit plan obligations and other retirement plans	Page 53	
	201-4 Financial assistance received from government	Page 64	11.21.3
<b>Indirect economic impacts</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 41 to 50	11.14.2
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Pages 41 to 46	11.14.4
	203-2 Significant indirect economic impacts	Pages 41 to 50	11.14.5
<b>Procurement practices</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 49 and 50	11.14.2
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Page 49	11.14.6
<b>Anti-corruption</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 63	11.20.1
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Page 64	11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	Pages 63 to 65	11.20.3
	205-3 Confirmed incidents of corruption and actions taken	Page 66	11.20.4
<b>Anti-competitive behaviour</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 66	11.19.1





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	GRI SECTOR STANDARD REF. NO.
<b>GRI 206: Anti-competitive Behaviour 2016</b>	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Page 66	11.19.2
<b>Energy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 17 to 19	11.1.1
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	Page 18	11.1.2
	302-2 Energy consumption outside of the organisation	N/A	11.1.3
	302-3 Energy intensity	Page 18	11.1.4
	302-4 Reduction of energy consumption	Page 18	
	302-5 Reductions in energy requirements of products and services	N/A	
<b>Water and effluents</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 26 to 31	11.6.1
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Pages 26 to 31	11.6.2
	303-2 Management of water discharge-related impacts	Pages 26 to 31	11.6.3
	303-3 Water withdrawal	Page 30	11.6.4
	303-4 Water discharge	Page 30	11.6.5
	303-5 Water consumption	Page 30	11.6.6
<b>Biodiversity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 32 to 35	11.4.1
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Pages 32 to 35	11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	Pages 32 to 35	11.4.3
	304-3 Habitats protected or restored	Pages 32 to 35	11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	11.4.5
<b>Emissions</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 13 to 24	11.1.1
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Page 16	11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	Page 16	11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	Page 16	11.1.7
	305-4 GHG emissions intensity	Page 14	11.1.8
	305-5 Reduction of GHG emissions	Page 14	11.2.4
	305-6 Emissions of ozone-depleting substances (ODS)	SierraCol Energy does not produce emissions of ozone-depleting substances as part of its operations	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Page 17	11.3.2





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	GRI SECTOR STANDARD REF. NO.
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 36 and 37	11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 36 and 37	11.5.2
	306-2 Management of significant waste-related impacts	Pages 36 and 37	11.5.3
	306-3 Waste generated	Page 37	11.5.4
	306-4 Waste diverted from disposal	Page 37	11.5.5
	306-5 Waste directed to disposal	Page 37	11.5.6
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 50 to 58	11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 53 to 55	11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 54	11.10.3
	401-3 Parental leave	Page 54	11.10.4
Labor/management relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 50 to 58	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Before the changes become official	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 72 to 78	11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 72 and 73	11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	Page 74	11.9.3
	403-3 Occupational health services	Pages 78 and 79	11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 78	11.9.5
	403-5 Worker training on occupational health and safety	Page 78	11.9.6
	403-6 Promotion of worker health	Page 78	11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 73 to 75	11.9.8
	403-8 Workers covered by an occupational health and safety management system	Page 72	11.9.9
	403-9 Work-related injuries	Page 75	11.9.10
	403-10 Work-related ill health	Page 75	11.9.11
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 51 and 52	11.7.1





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	GRI SECTOR STANDARD REF. NO.
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Page 52	11.10.6
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Page 52	11.7.3
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 52	
<b>Diversity and equal opportunity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 57 and 58	11.11.1
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Page 57 & page 62	11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	Page 55	11.11.6
<b>Non-discrimination</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 57	11.11.1
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	No cases of discrimination were reported	11.11.7
<b>Freedom of association and collective bargaining</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 55	11.13.1
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 55	11.13.2
<b>Child labour</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 49	
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labour	Page 49	
<b>Forced or compulsory labour</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 49	11.12.1
<b>GRI 409: Forced or Compulsory Labour 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 49	11.12.2
<b>Security practices</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 77	11.18.1
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	Page 77	11.18.2
<b>Rights of indigenous peoples</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 67	11.17.1





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	GRI SECTOR STANDARD REF. NO.
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	We do not operate within the territories of indigenous communities	11.17.2
<b>Local communities</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 41 to 49	11.15.1
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes	Pages 41 to 49	11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	Pages 43 to 49	11.15.3
<b>Public policy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 63	11.22.1
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	Page 63	11.22.2
<b>Customer privacy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 79	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero Material cyber security incident rate	

## SASB

SASB code	Metric	Unit of measure	2024
EM-EP-110a.1	Gross global Scope 1 emissions	Metric tons of CO <sub>2</sub> e	238,622
EM-EP-110a.2	Percentage methane of gross global Scope 1 emissions	Percentage (%)	10
EM-EP-110a.3	Percentage covered under emissions-limiting regulations	Percentage (%)	0
EM-EP-110a.2	Amount of gross global Scope 1 emissions from:		
	(1) Flared hydrocarbons	Metric tons of CO <sub>2</sub> e	119,189
EM-EP-110a.2	(2) Other combustion	Metric tons of CO <sub>2</sub> e	100,113
EM-EP-110a.2	- Stationary devices	Metric tons of CO <sub>2</sub> e	99,530
EM-EP-110a.2	- Mobile sources	Metric tons of CO <sub>2</sub> e	583
EM-EP-110a.2	(3) Process emissions	Metric tons of CO <sub>2</sub> e	1
EM-EP-110a.2	(4) Other vented emissions	Metric tons of CO <sub>2</sub> e	1,754
EM-EP-110a.2	(5) Fugitive emissions	Metric tons of CO <sub>2</sub> equivalent	17,565
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	Text	Pages 13 to 24





SASB code	Metric	Unit of measure	2024
EM-EP-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O)	Metric tons (t)	253
EM-EP-120a.1	(2) SOx	Metric tons (t)	392
EM-EP-120a.1	(3) Volatile Organic Compounds (COVs)	Metric tons (t)	499
EM-EP-120a.2	(4) Particulate Matter (PM <sub>10</sub> )	Metric tons (t)	125
EM-EP-140a.1	Total fresh water withdrawn	Megalitres/year	98,703.36
EM-EP-140a.1	Total fresh water consumed	Megalitres/year	288.86
EM-EP-140a.1	Percentage of fresh water withdrawn in regions with high or extremely high baseline water stress	Percentage (%)	0
EM-EP-140a.1	Percentage of fresh water consumed in regions with high or extremely high baseline water stress	Percentage (%)	0
EM-EP-140a.2	(1) Discharged	Percentage (%)	75.05
EM-EP-140a.2	(2) Injected	Percentage (%)	24.74
EM-EP-140a.2	(3) Recycled	Percentage (%)	1.04
EM-EP-140a.2	Hydrocarbon content in discharged water	Metric tons (t)	
EM-EP-140a.2	Volume of produced water	Thousands of cubic meters (m <sup>3</sup> )	128,423
EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	0
EM-EP-140a.4	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	0
EM-EP-160a.1	Description of environmental management policies and practices for active sites	Text	Pages 26 to 39
EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8–10, and volume recovered	Number	6
		Volume in barrels (bbl)	14.41
EM-EP-160a.3	(1) Percentage of proved reserves	Percentage (%)	0
EM-EP-160a.3	(2) Probable reserves in or near sites with protected conservation status or endangered species	Percentage (%)	0
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	0
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Percentage (%)	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	Text	Pages 67 to 69
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Text	Page 68 to 70
EM-EP-320a.1	(1) Total recordable incident rate (TRIR) contracts / full-time employees	Rate/hours	0.4 / 0
EM-EP-320a.1	(2) Fatality rate contracts / full-time employees	Rate/hours	0 / 0
EM-EP-320a.1	(3) near miss frequency rate (NMFR) contracts / full-time employees	Rate	0.2205 (for work-related near accidents) 0.24816 (for direct employees) 0.21452 (for contractors)





SASB code	Metric	Unit of measure	2024
EM-EP-320a.1	(4) average hours of health, safety, and emergency response training for (a) full-time employees	Hours	4,126
EM-EP-320a.1	(b) contract employees	Hours	N/A
EM-EP-320a.1	(c) short-service employees	Hours	N/A
EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Text	Page 73 to 78
EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Million barrels (MMbbls), Million standard cubic feet (MMscf)	N/A
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Metric tons of CO <sup>2</sup> e	N/A
EM-EP-420a.3	Amount invested in renewable energy; revenue generated by renewable energy sales	Reporting currency	N/A
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	Text	N/A
EM-EP-510a.1	(1) Percentage of proved reserves	Percentage (%)	0
EM-EP-510a.1	(2) 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	Text of the management system for prevention of corruption and bribery throughout the value chain	Text	Page 66
EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Text	Pages 26 to 48
EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Rate	1
EM-EP-540a.2	Text of management systems used to identify and mitigate catastrophic and tail-end risks	Text	Page 74
EM-EP-000.A	Production of natural gas	Million standard cubic feet per day(MMscf/day)	5.3
EM-EP-000.A	Production of oil (net)	Thousand barrels per day(Mbbl/day)	22.9
EM-EP-000.A	Production of Synthetic oil	Million barrels (MMbbls)	N/A
EM-EP-000.C	Number of terrestrial sites	Number	22
EM-EP-000.C	Number of offshore sites	Number	N/A





# TCFD

Recommended disclosure	Reference
<b>Governance: disclose the organisations’ governance around climate-related risks and opportunities</b>	<b>Page 22</b>
a) Description of the management team's view (Board of Directors) on climate-related risks and opportunities	Page 22
b) Describe the management roles for the evaluation and management of climate-related risks as well as opportunities identified	Page 22
<b>Strategy: disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s business, strategy, and financial planning where such information is material.</b>	<b>Page 22</b>
a) Describe the climate-related risks and opportunities that the organisation has identified in the short, medium, and long term.	Pages 23 and 24
b) Describe the impact of climate-related risks and opportunities related to the organisation's business, strategy, and financial planning	Pages 23 and 24
c) Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios, including 2°C or lower	Pages 23 and 24
<b>Risk management: Disclose how the organization identifies, assesses, and manages climate-related risks</b>	<b>Page 25</b>
a) Describe the organisations’ processes for identifying and assessing climate-related risks.	Page 24
b) Describe the organisation’s processes for managing climate-related risks.	Page 24
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisations’ overall risk management.	Page 24
<b>Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</b>	<b>Pages 13 to 21</b>
a) Disclose the metrics or objectives used to measure and manage relevant climate risks and opportunities	Pages 13 to 21
b) Disclose Scope 1, Scope 2, and if appropriate Scope 3 GHG emissions and related risks	Page 16
c) Describe the objectives used by the organisation to manage climate-related risks and opportunities and the presentation of progress against the proposed objectives	Pages 13 to 21





# Our 2024 ESG results highlights



## OUR GOALS

## 2024 KEY RESULTS

### CLIMATE ACTION

#### Climate change, emissions and energy management



- Reduce 60% of scope 1 and 2 emissions against the 2020 baseline across all our assets.
- Reduce atmospheric emissions associated with NOx, SOx, VOC and PM vs the baseline.
- Eliminate routine gas flaring by 2025 in the Caño Limón area.
- Maintain a leak detection and repair programme to reduce methane fugitive emissions.
- Fully replace crude oil self-generation in Caño Limon area with clean electricity purchased.
- Complete the installation of 100% of permanent magnet motors in Caño Limón area by 2026.
- Implement and Energy Management System (EMS) in the Caño Limón area based on the NTC-ISO 50001 by 2025

- 46% reduction in methane emissions vs 2023.
- 53% scope 1 and 2 emissions reduction considering the newly incorporated assets.
- Carried out emissions inventory verification under ISO 14064 standard, including Caracara and Llanos 22 incorporated assets.
- Reduction of non-GHG emissions compared to the 2020 baseline with the following results: SOx=82%; NOx=78%; PM=60% and VOC=41%. Non-GHG emissions reduction considers the newly incorporated assets.
- Implemented a gas-to-liquids plant to reduce flared gas volume in PF1 facility and increase electricity generation through gas utilisation in CPF1 facility.
- A gas-to-liquids plant for gas treatment is under construction in the PF2 facility.
- Conducted bottom-up and top-down methane measurements employing Optical Gas Imaging (OGI) and spectrometers on airborne vehicles as part of our leak detection programme.
- Accomplished repair activities on fugitive sources to achieve an approximate reduction of 14 kt CO<sub>2</sub>e in the Central Llanos operations on an annual basis.
- Crude oil-based generation elimination in the Caño Limón area by installing a fourth 50 MVA transformer to replace it with clean renewable energy.
- The entire energy purchased from the National Interconnected System in Caño Limón area received I-REC certificates.
- Implemented energy efficiency alternatives that combined achieve a reduction of ~ 11.8 MW of our total operation consumption in the Caño Limón area.
- Shouted down wells with marginal economics and applied water conformance and reactivation programmes as part of our energy efficiency pillar.
- Completed installation of 71 permanent magnet motors in Caño Limón area, for a total of 300.







## OUR GOALS

## 2024 KEY RESULTS

### ACTION FOR THE PLANET

#### Integral water management



- 0 megalitres/year water used in water-stressed areas.
- Reuse 80 m<sup>3</sup>/d of produced water.
- 100% of construction activities with produced water recirculation by 2025.
- 100% firefighting test with recirculated produced water by 2025.

- 0 megalitres/year water used in water-stressed areas.
- 173m<sup>3</sup>/day recirculated production water in the following activities: particulate matter control, well service equipment requirements and civil works.
- 70% of the water consumption required in construction activities and facilities supplied with recirculated production water.
- ARnD y ARD permits renewed.

#### Biodiversity protection



- Establish 30 conservation agreements with local communities by 2024 for the conservation and/or rehabilitation of strategic ecosystems in our areas of influence.
- Implement projects for conservation of strategic.
- Ecosystems and species of interest. At least one project to be implemented by 2024.

- 17 new conservation agreements signed (for a total of 34 conservation agreements up to date).
- 292 ha conserved.
- 7,097 ha purchased in Serranía de Manacacías National Park.
- “Protecting the jaguar together” project implemented.

#### Circular economy



- 25% reduction of conventional waste to landfill disposal by 2024.
- Consolidate and expand the scope of the circular economy programme.

- 34% reduction of conventional waste to landfill disposal through recycling in all our operated fields.
- The circular economy programme, initially developed for the Caño Limón area, was expanded and consolidated to include Central Llanos operations.

#### Environmental planning and control



- Monitor new legislation to anticipate potential impacts to the operation and establish mitigation measures.
- Maintain our environmental licences and permits.

- 100% licenses to operate and compliance.
- 0 significant penalties.
- Maintained ISO 14001 certification.

#### Socio-environmental management



- Establish a long term SierraCol Energy's communication and environmental education strategy for internal and external audiences.
- Ensure a swift implementation of the Escazú Agreement once it becomes mandatory.

- 40 socialisation sessions with 2,341 participants.
- Community accompaniment to biodiversity and water, soil, and air quality monitoring.
- 373 community visitors to Caño Limón area facilities.
- Defined the action plan for alignment with the Escazú Agreement containing the activities for the Caño Limón area and Central Llanos operations.
- Conducted the pilot implementation of the Escazú Agreement in the process of modifying the Estero License EIA.







## OUR GOALS

## 2024 KEY RESULTS

### Engagement & communication



- Identify and proactively manage concerns from stakeholders to ensure a timely and appropriate response.

- We successfully managed 838 queries (PQRS), 537 from Arauca and 301 in Casanare and Meta with an efficiency rate of 94% in their resolution.

### Social investment



- Strengthen the Company's legacy in our areas of operation.

- **Housing & Infrastructure:** 277 housing improvements and 64 new homes built in 36 villages of Arauca and Arauquita, benefiting 341 families.
- **Healthcare Access:** Provided 6,216 medical and dental consultations across 39 villages, addressing 16 prevalent diseases.
- **Agricultural Development:** Trained 139 producers in agriculture and the cocoa sector, supplying essential equipment and tools.
- **Microcredit Support:** Since 2007, 30,550 microloans granted through El Alcaraván Foundation, 40% benefiting rural entrepreneurs.
- **Digital Connectivity:** Internet access provided to 24 rural schools, supporting over 1,000 students.
- **Education Support:** 3,288 school kits delivered across 75 villages to help reduce dropout rates.
- Works for taxes: USD \$3.9M (COP \$16,525M) allocated.

### Human rights



- Conduct a Human Rights Impact Assessment (HRIA) in all our operated assets.

- Significant progress in closing risk management plans identified in analyses conducted for all Company operations.
- The bidirectional risk and impact analysis on human rights for Central Llanos operations was completed, and a work plan was formulated for its management.

### Diversity and inclusion



- Improve gender equity with a minimum of 35% female hired in the selection and recruitment processes, increasing women representation in our company.

- Achieved a 39% of female hiring, surpassing the proposed goal.

COMMUNITIES & SOCIETY







### OUR GOALS

### 2024 KEY RESULTS

#### COMMUNITIES & SOCIETY

##### People, culture and services



- Improve attraction of talent and increase the uptake of employment opportunities offered by the Company.
- Improve employee skills through training.

- Maintained our internship programme to attract young talent and support their professional development.
- Established agreements with universities to enhance students' academic experiences.
- Participated in a university's technical week, providing knowledge and guidance to aspiring professionals.
- Utilised social media and digital platforms for open calls to recruit diverse professionals.
- Hired and successfully onboarded an employee with a hearing impairment.
- 14,742 training hours.

##### Supply chain



- Promote economic development and sustainability through the procurement of local and national goods and services.

- 64% of goods and services purchased from national and local suppliers and contractors.
- 3,492 total of skilled and unskilled workers. 85% locals.



### OUR GOALS

### 2024 KEY RESULTS

#### OPERATIONAL EXCELLENCE

##### Assets integrity and spill management



- Maintain an optimal level of operational safety through effective prevention and mitigation with a maximum of 1 Tier 1 and 3 Tier 2 events in 2024 considering our newly acquired assets. The goal for 2025 is a maximum of 1 Tier 1 and 4 Tier 2 incidents.
- Ensure zero significant spills in our operations.

- We met the Tier 1 goal, with one additional Tier 2 event. No incidents affected people, and prompt response prevented further impact.
- No significant spills in any of our operated assets.







## OUR GOALS

## 2024 KEY RESULTS

### OPERATIONAL EXCELLENCE

#### Occupational health and safety



- Continued improvement in Total Recordable Incident Rate (TRIR).
- Implement preventive and safety measures to avoid fatalities.

- Our Total Recordable Incident Rate (TRIR) has decreased by 70%, from 1.10 in 2019 to 0.33 in 2024.
- Zero fatalities since 2021.

#### Cybersecurity



- Maintain a zero-material cybersecurity incident index.
- Maintain a comprehensive cybersecurity system.

- Achieved and maintained a zero-material cybersecurity incident index.
- Successfully maintained a comprehensive cybersecurity system, as demonstrated by achieving and retaining ISO 27001:2022 certification.

### SOLID GOVERNANCE

#### Corporate governance



- Ensure a positive risk level in Sustainalytics' ESG risk rating.

- We achieved a score of 20 in the ESG risk rating assessment by Sustainalytics.

#### Compliance, ethics and transparency



- Assess to identify and mitigate corruption risks in our operations.
- Ensure regulatory compliance.
- Consistently enhance the organisation's commitment to responsible and transparent business practices.

- A risk matrix was implemented to identify segment, and mitigate risks related to corruption.
- Regulatory compliance was maintained by adhering to corporate governance, compliance, ethics, and transparency standards, achieving a positive risk rating in Sustainalytics' ESG assessment.
- A rigorous self-assessment and update process was conducted to ensure compliance with SAGRILIFT and PTEE regulations.
- 100% of employees trained on the Compliance Programme.
- 100% of employees submitted their annual declaration and certification of compliance with respect to our activities.

#### Economic performance



- Achieve outstanding operational performance that directly translates into financial success and creates value for all stakeholders.

- EBIDTAX of US\$ 702 million.
- Free Cash Flow of US\$ 242 million.
- SBR of 44.8 kboed.

