

SierraCol Energy LLC

Independent practitioner's limited assurance report on the identified sustainability information in SierraCol Energy LLC's sustainability report in its English version for the year ended 31 December 2023

April 2024



Independent practitioner's limited assurance report on the identified sustainability information in SierraCol Energy LLC's sustainability report

To the Board of Directors of SierraCol Energy LLC

We have undertaken a limited assurance engagement in respect of the selected social, economic, and environmental information included in the SierraCol Energy LLC's sustainability report for the year ended 31 December 2023 (hereinafter 'the 2023 sustainability report' or the 'Identified Sustainability Information'). This engagement was conducted by a multidisciplinary team including assurance practitioners and environmental experts.

Identified sustainability information

The Identified Sustainability Information for the year ended 31 December 2023 is summarized below:

- Representative economic information (Entity-developed Criteria)
- Water withdrawal 2018 (GRI 303-3)
- Direct Greenhouse Gas emissions (GRI 305-1)
- Indirect Greenhouse Gas emissions from energy generation (scope 2)
- Non-compliance with environmental laws and regulations (2016) (GRI 307-1)
- Work-related injuries 2018 (GRI 403-9)
- Local employment (Entity-developed Criteria)
- Total number of Tier 1 and Tier 2 process safety events (GRI11.8.3)
- Social Investment (Entity-developed Criteria)

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 sustainability report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by SierraCol Energy LLC to prepare the Identified Sustainability Information is set out in section I 'Criteria for the Sustainable development review – 31 December 2023', within this report (the 'Criteria').

Sierracol Energy Andina LLC's responsibility for the identified sustainability information

SierraCol Energy LLC is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

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To the Board of Directors of SierraCol Energy LLC

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of SierraCol Energy LLC's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.



To the Board of Directors of SierraCol Energy LLC

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Understanding of the tools used to generate, add, and report the selected sustainability information through inquiries with those responsible for the processes listed, carried out virtually.
- Limited substantive testing, on a random selective basis of the selected sustainability information by the Company, to determine the indicators subject to limited assurance and verify that data have been appropriately measured, recorded, collated and reported through:
 - a) Inspection of policies and procedures established by the Company.
 - b) Inspection of internal and external supporting documentation.
 - c) Arithmetical calculations in accordance with formulas previously defined in the reporting criteria included in Annex I attached.
 - d) Comparison of the contents presented by the Management in its 2023 Sustainability Report with what is established in this regard in the “Core” option of the GRI Standards of the Global Reporting Initiative (2016).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether SierraCol Energy LLC’s Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria included on section I within this report.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that SierraCol Energy LLC’s Identified Sustainability Information for the year ended December 31, 2023 is not prepared, in all material respects, in accordance with the Criteria.



To the Board of Directors of SierraCol Energy LLC

Restriction on distribution and use

This report, including the conclusion, has been prepared solely for the Board of Directors of SierraCol Energy LLC as a body, to assist them in reporting on SierraCol Energy LLC's sustainable development performance and activities. We permit the disclosure of this report within the 2023 sustainability report, to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the 2023 sustainability report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors as a body and SierraCol Energy LLC for our work or this report save where terms are expressly agreed and with our prior consent in writing.

A handwritten signature in black ink, appearing to read 'Judith Chica M.', written over a horizontal line.

Judith Chica M.

Accountant

Colombian CPA Registration No. 47884-T

PwC Contadores y Auditores S. A. S.

April 3, 2024

The maintenance and integrity of the SierraCol website (<https://sierracolenergy.com/esg/>) repository of the 2023 SierraCol Sustainability Report, is the responsibility of the Company's Administration. The work carried out by PwC does not involve the consideration of these matters and, accordingly, PwC accepts no responsibility for any differences between the information presented on the website and in the 2023 Sustainability Report issued by the Company on which said assurance was made and the conclusion was issued.

Criteria for the Sustainable development review – 31 December 2023

Subject matter indicators (selected information)	Criteria																								
<p>Representative economic information (Entity-developed Criteria)</p>	<p>The Company's Management included in its Sustainability Report 2023 (hereinafter for all criteria IS23) the result of its own indicator "Representative Economic Information" for the period from January 1 to December 31, 2023 (hereinafter, the year under review) for the company SierraCol Energy Limited ("SCE"), entity that consolidates the results of SierraCol Energy Andina, LLC, SierraCol Energy Arauca, LLC, SierraCol Energy Condor, LLC, SierraCol Energy PUT-36, Colombia Energy Development Co., Cinco Ranch Petroleum Colombia Inc., Lagosur Petroleum Colombia Inc. and Global Energy Management Resources Colombia Inc. and their respective branches established in Colombia, based on the procedures established by the Company's Management and their interest in presenting relevant data to their Stakeholders. Amounts are presented in thousands of U.S. dollars as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Financial result</th> <th>Definition</th> <th>Source File</th> <th>Section / Note</th> <th>Item</th> <th>Page</th> </tr> </thead> <tbody> <tr> <td>Share Before Royalties and Participation (kpoepd)</td> <td>Company-owned production before royalties and high-price shares.</td> <td>MD&A</td> <td>Financial and Operation Results / Production and Sales</td> <td>SBR (kpoepd)</td> <td>3</td> </tr> <tr> <td>Oil and gas net sales (kboepd)</td> <td>Oil and gas net sales</td> <td>MD&A</td> <td>Financial and Operation Results / Production and Sales</td> <td>Net sales (kboepd)</td> <td>3</td> </tr> <tr> <td>Income tax paid</td> <td>Total income tax payments</td> <td>SierraCol Energy Limited - Annual Report for the year ended 31 December 2023 ("FS")</td> <td>Consolidated Statement of Cash Flows</td> <td>Income tax payments</td> <td>33</td> </tr> </tbody> </table> <p>The scope of the assurance work is limited to agree the information reported in the IS23 with the sources mentioned in the criteria, provided by management; to validate and verify the data based on the information included in those sources, and does not include assessing the reasonableness of the sources mentioned in the criteria, nor assessing the completeness of the supporting documentation in the year under review, nor assessing the occurrence of the events that gave rise to the report.</p>	Financial result	Definition	Source File	Section / Note	Item	Page	Share Before Royalties and Participation (kpoepd)	Company-owned production before royalties and high-price shares.	MD&A	Financial and Operation Results / Production and Sales	SBR (kpoepd)	3	Oil and gas net sales (kboepd)	Oil and gas net sales	MD&A	Financial and Operation Results / Production and Sales	Net sales (kboepd)	3	Income tax paid	Total income tax payments	SierraCol Energy Limited - Annual Report for the year ended 31 December 2023 ("FS")	Consolidated Statement of Cash Flows	Income tax payments	33
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<p>GRI 303-3 Water withdrawal (2018)</p>	<p>The Company's management includes, in its IS23, the result of the GRI 303-3 indicator corresponding to "Water withdrawal" for the year under review, for the companies SierraCol Energy Arauca LLC and Colombia Energy Development Co - CEDCO, taking as a basis what is established on page 9 of the GRI Thematic Content GRI Standard 303: Water and Effluents (2018), and in line with the procedures established by the Company's management, as presented below:</p> <p>a) Total water withdrawal from all areas (in megaliters) and breakdown of this total by the following sources, if applicable:</p> <p>i. surface water, ii. groundwater, iii. produced water.</p> <p>Regarding water purchased from third parties, SierraCol does not purchase water from third parties.</p>																								

The calculation of the total water withdrawal value is determined as the sum of the volumes withdrawn at Llanos Norte locations (Caño Limón, Caricare, and Cosecha), consolidated in the file "CColombia Water Balance Workbook 2023.xlsm", and the sum of the volumes withdrawn at Llanos Central locations (Llanos 23, Río Verde, Canacabare, Paloblanco) consolidated in the file "Consumos de agua 2023.xlsx" (Water consumption 2023), as indicated below for each type of water:

- Surface water: during 2023 there was no surface water abstraction at Llanos Norte and Llanos Central locations.
- Groundwater: corresponds to the sum of groundwater withdrawal data in megaliters (ML) during 2023 from Llanos Norte, consolidated in the file "CColombia Water Balance Workbook 2023.xlsm", and from Llanos Central, consolidated in the file "Consumos de agua 2023.xlsx" for the following wells of the respective fields:
 - Llanos Norte
 - Caño Limón
 - Supply Water Wells – domestic/industrial consumption (fixed wells facility and WSW reference wells)
 - Other Wells – domestic/industrial consumption (Asociación Cravo Norte – Caricare Drilling)
 - Caricare
 - Supply Water Wells – domestic/industrial consumption (fixed wells facility and WSW)
 - Other Wells – domestic/industrial consumption (Asociación Cravo Norte – Caricare Drilling)
 - Cosecha development
 - Supply Water Wells – domestic/industrial consumption (fixed wells facility and WSW reference wells)
 - Llanos Central
 - Río Verde Block
 - Canacabare Block
 - Llanos 23 Block
 - Paloblanco Block
- Produced Water: corresponds to the sum of the data of water extracted in megaliters (ML) as a result of crude oil extraction activities during 2023 from Llanos Norte, consolidated in the file "CColombia Water Balance Workbook 2023.xlsm" by the Environmental Coordination, and from Llanos Central, consolidated in the file "Balances Crudo, Agua y Gas.xlsx" (Balances Crude, Water and Gas) for the following flocks of the respective locations:
 - Llanos Norte
 - Caño Limón
 - Fresh Produced Water
 - Caricare
 - Non-fresh - Produced Water
 - Llanos Central
 - Río Verde Block
 - Canacabare Block
 - Llanos 23 Block
 - Paloblanco Block

The total value of water withdrawn corresponds to the following formula:

$$\text{Total water withdrawn (ML)} = \text{surface water (ML)} + \text{groundwater (ML)} + \text{produced water (ML)}$$

b. Total water withdrawal from all water-stressed areas (in megaliters) and breakdown of this total according to the following sources, if applicable:

- Surface water from water-stressed areas: corresponds to the total withdrawal of water captured (in ML) from surface sources in water-stressed areas, as established in the environmental studies of the areas where the reporting company operates, prepared by the Environmental Coordination of SierraCol Energy Arauca LLC based on the information published in the file "Estudio Nacional de Agua 2023" (National Water Study 2023) of IDEAM where the water supply of the country is established.

	<ul style="list-style-type: none"> • Groundwater from water-stressed areas: corresponds to the total withdrawal of water captured (in ML) from groundwater sources in water-stressed areas, as established in the environmental studies of the areas where the reporting company operates, prepared by the Environmental Coordination of SierraCol Energy Arauca LLC. based on the information published in the file "Estudio Nacional de Agua 2023" of IDEAM where the water supply of the country is established. • Water produced from water-stressed areas: corresponds to the total withdrawal of water generated as a result of crude oil extraction activities in water-stressed areas, as established in the environmental studies of the areas where the reporting companies operate, prepared by the Environmental Coordination of SierraCol Energy Arauca LLC. based on the information published in the file "Estudio Nacional de Agua 2023" of IDEAM where the water supply of the county is established. <p style="margin-left: 40px;">The total value of water withdrawn from water-stressed areas corresponds to the following formula:</p> <p style="margin-left: 40px;">Total water withdrawn from water-stressed areas (ML) + surface water in water-stressed areas (ML) + produced water from water-stressed areas (ML).</p> <p>c. The breakdown of total freshwater (total dissolved solids ≤ 1000 mg/L) and other water (total dissolved solids > 1000 mg/L) withdrawals, considering each of the sources (surface, ground, and produced water) listed in a) and b) above (in megaliters), as described below:</p> <p style="margin-left: 40px;">i. fresh water: included in this category are the values of water withdrawn from surface water, groundwater and produced water sources reported in a) and b) above, whose laboratory samples show a concentration of total dissolved solids less than or equal to 1000 mg/L (as established in GRI Standard 303-3), for groundwater, surface water and produced water, and have been classified as "fresh water" in the file "CColombia Water Balance Workbook 2023.xlsm" and in the file "Consumos de agua 2023.xlsx" for the following locations and their respective blocks:</p> <ul style="list-style-type: none"> • Llanos Norte <ul style="list-style-type: none"> ○ Caño Limón ○ Caricare ○ Cosecha development • Llanos Central <ul style="list-style-type: none"> ○ Canacabare Block <p style="margin-left: 40px;">ii. other water: included in this category are the abstracted water values reported in a) and b) above from surface water sources (rivers), groundwater and produced water, whose laboratory samples show a concentration of total dissolved solids greater than 1000 mg/L (as established in GRI Standard 303-3) and have been classified as "other water" in the file "CColombia Water Balance Workbook 2023.xlsm" and the file "Consumos de agua 2023.xlsx" for the following locations and their respective blocks:</p> <ul style="list-style-type: none"> • Llanos Norte <ul style="list-style-type: none"> ○ Caricare • Llanos Central <ul style="list-style-type: none"> ○ Río Verde Block ○ Llanos 23 Block ○ Paloblanco Block <p>d. Any contextual information necessary to understand how the data has been collected, as well as any standards, methodologies or assumptions used.</p> <p>The scope of the assurance work is limited to agree the information reported in the IS23 with the sources mentioned in the criteria, provided by the Environmental Coordination of SierraCol Energy Arauca LLC and by the Sustainability Advisor of Colombia Energy Development Co - Cedco, to agree information and recalculate the formulas established in the criteria based on the information included in said sources and the occurrence of surface and groundwater withdrawals from the operations in Llanos Norte and Llanos Central are not evaluated, which are recorded manually and consolidated for reporting this indicator.</p>
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<p>GRI 305-1 Direct GHG emissions (scope 1) (2016)</p>	<p>The IS23 includes the result of GRI 305-1 indicator corresponding to “Direct GHG emissions (scope 1)” for the year under review of the companies SierraCol Energy Arauca LLC, SierraCol Energy Andina LLC, and Colombia Energy Development Co – Cedco, (hereinafter the “companies”), as explained below.</p> <p>According to the sectorial standards established by the American Petroleum Institute – API, for the inventory of atmospheric emissions of Greenhouse Gases of the companies, direct emissions from: emissions from stationary combustion, process emissions and venting, routine gas flaring, mobile combustion sources and fugitive emissions of hydrocarbons in accessories under an operational control approach are included.</p> <ul style="list-style-type: none"> ● The Standards, methodologies, assumptions and/or calculation tools used: <p>Corresponds to the emission factors, densities, calorific values used by the companies taken from the 2016 FECOC (Colombian Fuels Emission Factors) and the American Petroleum Institute (API) (Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry version 2021). The methodology present in the API Compendium 2021 is used for the calculation of GHG emissions through the use of the SANGEA™ software solution (https://apisangea.org/WhatIsSangea) designed by API to assist oil and gas companies in the estimation, management and reporting of GHG emissions; the GHG inventory report is prepared for the following specifications of the Colombian Technical Standard (NTC, per its Spanish acronym) ISO 14064-1 and the accounting and reporting standards for GHG emissions described in the GHG Protocol Corporate Standard. All the aforementioned methodological details are consolidated in the document “<i>Diseño del inventario de emisiones atmosféricas de SierraCol Energy</i>” (Design of SierraCol Energy’s atmospheric emissions inventory).</p> <p>Furthermore, the methodology proposes the following exclusions in the quantification:</p> <ul style="list-style-type: none"> ● Other GHGs such as Hydrofluorocarbons (HFCs) and Perfluorocarbons (PFCs). <p>Based on the Thematic Content GRI Standard GRI 305: Emissions (2016), and in line with the procedures established by the companies' management, the calculation of the indicator is carried out as follows:</p> <ul style="list-style-type: none"> ● Gross value of direct GHG emissions (Scope 1) in metric tons of CO2 equivalent: <p>The indicator reports information from Llanos Norte and Llanos Central locations, where activities associated with the emission of Greenhouse Gases (GHG) scope 1 of the companies SierraCol Energy Arauca LLC, SierraCol Energy Andina LLC, Colombia Energy Development Co – Cedco and Lagosur Petroleum Colombia Inc, during the year under review, for the areas detailed below:</p> <p>Llanos Norte (SierraCol Energy Arauca LLC, SierraCol Energy Andina LLC):</p> <ol style="list-style-type: none"> 1. Caño Limón 2. Caricare <p>Llanos Central (Colombia Energy Development Co - Cedco -):</p> <ol style="list-style-type: none"> 1. Canacabare 2. Alcaraván 3. Llanos 23 4. Río Verde 5. <p>Moreover, for the locations located in the Putumayo and Magdalena Medio basins, no Greenhouse Gas (GHG) scope 1 emissions data are presented because none of the companies have operational control over them; the Putumayo blocks are operated by Geopark, and the Magdalena Medio blocks by Ecopetrol.</p>
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The gross value of emissions is obtained by calculating the total direct GHG emissions generated from the companies in the aforementioned block, of the gases Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxide (N₂O), as established in the document "*Diseño del inventario de emisiones atmosféricas de SierraCol Energy*". To obtain the emissions associated with each gas, the calculation methodology incorporated in the SANGEA™ software is used, which considers two types of methodologies for its estimation, being these by mass balance or by emission factors (according to the emission source and the type of gas to be evaluated).

- **Mass Balance (MB) Methodology:**

The mass balance methodology is based on the application of the law of conservation of mass. In essence, if there is no accumulation within the system, all materials entering the system must leave. This methodology is mainly used in the estimation of CO₂ and CH₄ emissions from routine flaring.

For liquid combustion the following equation is follows:

$$\text{Emissions of } CO_2 = VolC * \rho * \%C * 44/12$$

Where,

Emissions of CO₂: CO₂ emissions (lb)

VolC: liquid fuel consumption (gallons)

ρ: fuel density (lb/gal)

%C: percentage carbon content of fuel

44/12: ratio of molecular weights of CO₂ and Carbon

For gas combustion (routine gas burning, for example) is used:

$$\text{Emissions of } CO_2 = Volquem * 1/Volmolgas * PMCO_2 * [\sum(\text{moleHidrocarburo/mole gas} * AmolC/molHC * 0,98\text{moleCO}_2/\text{moleCquemado}) + B\text{moleCO}_2 / \text{mol gas}]$$

$$\text{Emissions of } CH_4 = Volquem * \text{Frac. molarCH}_4 * \%res. CH_4 * (1/Volmolgas) * PMCH_4$$

Where,

Volquem: Volume of gas sent to tea

Frac. molarCH₄: Molar content of CH₄ in gas stream sent to tea

%res. CH₄: Percentage of unburned gas stream (by default 2%)

Volmolgas: Molar gas conversion, volume to mass (379,3 scf/lbmol or 23,685 m³/kg-mol)

AmolC: The number of moles of carbon in the hydrocarbon particles

BmoleCO₂: The moles of CO₂ present in the gas stream to be fired

PMCO₂: Molecular weight of CO₂

PMCH₄: Molecular weight of CH₄

- **Emission Factor (EF) Methodology:**

The emission factor (EF) methodology consists in combining information on the level of each activity (AL), for example, on the consumption of a fuel, with coefficients that quantify emissions or removals per unit activity, called emission factors (EF). In addition, it takes into consideration the percentage efficiency in total emissions reduction, if a capture technology exists (if it does not exist, the ER value will be equal to 0). Therefore, the basic equation is:

$$\text{Emissions} = AL * EF * (1 - ER/100)$$

Where:

Emissions: Estimated emission value for the source (at process level)

AL: Activity level (e.g., material produced, gas flared, electrical energy)

EF: Emission factor

ER: Overall efficiency in total emission reduction, expressed as a percentage, which is equal to the efficiency of the capture equipment multiplied by the efficiency of the control equipment. If there is no control equipment, ER =0.

- **Direct Measurements (DM) using Optical Gas Imaging Technology:**

The quantification of fugitive emissions employs Optical Gas Imaging technology to quantify methane and carbon dioxide emissions in the different components, equipment, or accessories present in hydrocarbon production and distribution operations. The inspection and leak detection applies the requirements established in Resolution 40066 of February 11, 2022, and Resolution 948 of August 12, 2022, of the Colombian Ministry of Mines and Energy.

The methodologies described above apply to sources and gas emissions calculated according to the following table:

Emission Source	CO2	CH4	N2O
Stationary combustion	MB	EF	EF
Routine gas flaring: tea	MB	MB	EF
Fugitive emissions	DM	DM	-
Vent	EF	EF	-
Combustion in mobile sources	MB	EF	EF
Biogenic	-	EF	-

Accordingly, Scope 1 emissions are calculated based on the following formula:

- a. **Direct GHG emissions (Scope 1) in tons of CO2e** = tons of CO2 equivalent emissions from stationary combustion activities + tons of CO2 equivalent emissions from routine gas flaring + tons of CO2 equivalent emissions from venting + tons of CO2 equivalent emissions from equipment leaks + tons of CO2 equivalent emissions from fuel combustion in mobile sources.

The elements included in the above formula are as follows:

Ton of CO2 equivalent emissions from stationary combustion activities: corresponds to fuel consumption (diesel, crude oil and fuel oil) used at the locations mentioned above, during the period under review. For the emissions estimates, the mass balance and emission factors methodologies are used. For the latter, consumption data multiplied by the conversion factors, calorific value and emission factors included in the table in item e for each type of fuel are used.

Corresponds to the values of stationary combustion generated in the production activities of the locations, associated with their respective blocks, which are detailed as follows:

Llanos Norte (SierraCol Energy Arauca LLC, SierraCol Energy Andina LLC):

1. Caño Limón
2. Caricare

Llanos Central (Colombia Energy Development Co - Cedco):

1. Canacabare

2. Alcaraván
3. Llanos 23
4. Río Verde

The following formula is applied to consolidate emissions from stationary combustion activities in tons of CO2:

$$\text{Tons of CO2 equivalent emissions} = \text{Ton CO2} + (\text{Ton CH4} \times \text{PCG}) + (\text{Ton N2O} \times \text{PCG})$$

** GWP refers to Global Warming Potential. The values used are presented in the table in item e.

Tons of CO2 equivalent emissions from routine gas flaring: corresponds to the values of gas flaring generated in the production activities in the production blocks:

Llanos Norte (SierraCol Energy Arauca LLC, SierraCol Energy Andina LLC):

1. Caño Limón
2. Caricare

Llanos Central (Colombia Energy Development Co - Cedco):

1. Canacabare
2. Alcaraván
3. Llanos 23
4. Río Verde

For emissions estimates, the mass balance and emission factor methodologies are used. For the latter, consumption data multiplied by the conversion factors, calorific value and emission factors included in the table in item e for each type of fuel are used.

For the consolidation of emissions in tons of CO2 equivalent, the following formula is applied:

$$\text{Tons of CO2 equivalent emissions} = \text{Ton CO2} + (\text{Ton CH4} \times \text{PCG}) + (\text{Ton N2O} \times \text{PCG})$$

Tons of CO2 equivalent emissions from fuel combustion in mobile sources: corresponds to the consumption of fuels (diesel and gasoline) used in the vehicles associated with the locations mentioned above, during the period under review. For emissions estimates, the mass balance and emission factor methodologies are used. For the latter, consumption data multiplied by the conversion factors, calorific value and emission factors included in the table in item e for each type of fuel are used. It corresponds to the values of mobile source combustion generated in production activities in the blocks of:

Llanos Norte (SierraCol Energy Arauca LLC, SierraCol Energy Andina LLC):

1. Caño Limón
2. Caricare

Llanos Central (Colombia Energy Development Co - Cedco):

1. Canacabare
2. Alcaraván
3. Llanos 23
4. Río Verde
- 5.

The following formula is applied to consolidate emissions from stationary combustion activities in tons of CO2:

$$\text{Tons of CO2 equivalent emissions} = \text{Ton CO2} + (\text{Ton CH4} \times \text{PCG}) + (\text{Ton N2O} \times \text{PCG})$$

Tons of CO2 equivalent emissions due to equipment leaks from the operation: corresponds to the values of emissions from different accessories such as valves, flanges, connectors and seals, among others, associated with the different gas and crude oil production processes in the blocks of the operation:

Llanos Norte (SierraCol Energy Arauca LLC, SierraCol Energy Andina LLC):

1. Caño Limón
2. Caricare

Llanos Central (Colombia Energy Development Co - Cedco):

1. Canacabare
2. Alcaraván
3. Llanos 23
4. Río Verde
- 5.

The emission factor methodology is used to estimate emissions, using consumption data multiplied by the conversion factors, calorific value and emission factors included in the table in item e for each type of fuel.

The following formula is applied to consolidate emissions from stationary combustion activities in tons of CO2:

$$\text{Tons of CO2 equivalent emissions} = \text{Ton CO2} + (\text{Ton CH4} * \text{PCG}) + (\text{Ton N2O} * \text{PCG})$$

Tons of CO2 equivalent emissions from venting: corresponds to the values of emissions associated with the venting of hydrocarbons associated with production generated at specific points in the production blocks:

Llanos Norte (SierraCol Energy Arauca LLC, SierraCol Energy Andina LLC):

1. Caño Limón
2. Caricare

Llanos Central (Colombia Energy Development Co - Cedco):

1. Canacabare
2. Alcaraván
3. Llanos 23
4. Río Verde
- 5.

The emission factor methodology is used to estimate emissions, using activity level data multiplied by the conversion factors, calorific value and emission factors included in the table in item e for each type of fuel.

For the consolidation of emissions from stationary combustion activities in tons of CO2, the following formula is applied:

$$\text{Tons of CO2 equivalent emissions} = \text{Ton CO2} + (\text{Ton CH4} * \text{PCG}) + (\text{Ton N2O} * \text{PCG})$$

b. Gases included in the calculation CO₂, CH₄ and N₂O:

The gases included in the calculation are determined for each emission source as established in the methodology, as follows:

Emission Source	CO ₂	CH ₄	N ₂ O
Stationary combustion	X	X	X
Routine gas flaring: tea	X	X	X
Equipment Leaks	X	X	
Vent	X	X	
Combustion in mobile sources	X	X	X

c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent:

d.

Correspond to the tons of CO₂ equivalent from the combustion of biofuels in the operations. The company use information from the National Biofuels Federation and purchase bills to establish the percentage content of palm oil and anhydrous ethanol in diesel and gasoline distributed in the operations. For this calculation, only tons of CO₂ are considered and other types of GHG emissions (such as CH₄ and N₂O) are excluded from biogenic emissions. The calculation then corresponds to the total CO₂ emissions generated by the combustion of diesel used in stationary combustion and mobile sources (using 6,882 kg CO₂ / gal and 5,82 kg CO₂ / gal emission factors for palm oil and anhydrous ethanol respectively), multiplied by the percentage of biofuel content, as established in the document "Design of SierraCol Energy's atmospheric emissions inventory". It should be noted that the estimate of emissions from biomass burning is estimated and reported separately to the total direct emissions of the companies.

e. Base year for calculation:

Justification for selecting the base year: After the transition to SierraCol Energy, it was decided to change the base year of the GHG emissions inventory from 2010 to 2020 as a reference year to compare emissions over time; the main reason for the change is that during 2020, Cedco's operations (Llanos Central) began the development of the emissions inventory using the methodologies used in the emissions inventory of the Llanos Norte area. The year 2020 serves then as a reference due to the similarity in current operating conditions, with those evidenced when comparing with that year.

Emissions in the base year; corresponds to the total emissions in tons of CO₂e of the base year.

f. Source of emission factors and Global Warming Potential (GWP) rates used or a reference to the GWP source.

Emission factors and global warming potential rates are used according to the following sources for the companies' operations at the Llanos Norte and Llanos Central locations (Caño Limón, Caricare, Alcaraván, Canacabare, Llanos 23, and Río Verde blocks):

		Emission factors						
Emission source	Fuel	Additional information	CO ₂	CH ₄	N ₂ O	Units	Reference	
Stationary combustion	Diesel	Motor	-	1.44 e ⁻⁵	6 e ⁻⁷	Tons / MBTU	API Compendium 2021 Table 4-6, 4-9 Y 4-11.	
	Diesel	General	-	1.80 e ⁻⁷	6 e ⁻⁷	Tons / MBTU		
	Crude	General	-	3 e ⁻⁶	6 e ⁻⁷	Tons / MBTU		
	Diesel	High Power >600HP	-	3.70 e ⁻⁶	6 e ⁻⁷	Tons / MBTU		
	Gas	Engine (4-stroke lean burn)	-	5.70 e ⁻⁴	1 e ⁻⁷	Tons / MBTU		
	Fueloil	Residential furnace	-	5.64 e ⁻⁶	1.61 e ⁻⁷	Tons / MBTU		
Routine gas flaring: tea	Gas flaring	-	-	-	5.2e ⁻⁵	Ton / 1000 bbls	API Compendium 20021 Table 5-3	
Venting	Gas venting	Compressor start-up	1.6e ⁻¹ (Is adjusted with the fraction of CO ₂)	1.6e ⁻¹ (Is adjusted with the fraction of CH ₄)	-	tons/compressor-yr	API Compendium 20021 Table 6-33 y 6.9.	
	Gas venting	Oil Well Workovers (pipeline maintenance)	1.80 e ⁻³ (Is adjusted with the fraction of CO ₂)	1.80 e ⁻³ (Is adjusted with the fraction of CH ₄)	-	tonnes/workover		
	Gas venting	Glycol dehydration	1.27 e ⁻⁴ (is adjusted with the fraction of CO ₂)	1.27 e ⁻⁴ (is adjusted with the fraction of CH ₄)	-	tonnes/Mscf	API Compendium 2021	

Combustion in mobile sources	Diesel	Light-duty Diesel Vehicles (Advanced control)	-	1.9 e ⁻⁴	8.3 e ⁻⁴	Tons/1000 Gallons	API Compendium 20021 Table 4-16.
	Gasoline	Light-duty Gasoline Vehicles – Tier 2	-	5.3 e ⁻³	8.3 e ⁻⁵	Tons/1000 Gallons	
	Gasoline	Other Gasoline Vehicles	-	0.01	1.9 e ⁻⁴	Tons/100 Gallons	SANGEA database

Global Warming Potential (GWP) Values (Potential Global Warming Values)		
Component	Emission factor/ GWP	Source
CO2	1	IPCC, 2014. Fifth Assessment Report.
CH4	28	
N2O	265	

g. The consolidation approach for emissions: shareholding, financial control or operational control.

The companies consider as an emissions consolidation approach the operational control in the Llanos Norte and Llanos Central locations (Caño Limón, Caricare, Alcaraván, Canacabare, Llanos 23, and Río Verde blocks). Such operational limits are defined in the table below, as established in the document Design of SierraCol Energy's atmospheric emissions inventory".

Operational boundaries (activities) of the GHG inventory (Scope 1)	
Emission sources associated with activities	Blocks
Stationary combustion	Caño Limón
	Caricare
	Alcaraván
	Canacabare
	Llanos 23
	Río Verde
Routine flaring of gases	Caño Limón
	Caricare
	Alcaraván
	Canacabare
	Llanos 23
	Río Verde
Fugitive emissions	Caño Limón
	Caricare
	Alcaraván
	Canacabare
	Llanos 23
	Río Verde
Venting	Caño Limón
	Caricare

		<table border="1"> <tr> <td data-bbox="983 228 1653 462"></td> <td data-bbox="1653 228 2077 297">Alcaraván</td> </tr> <tr> <td data-bbox="983 297 1653 354"></td> <td data-bbox="1653 297 2077 354">Canacabare</td> </tr> <tr> <td data-bbox="983 354 1653 410"></td> <td data-bbox="1653 354 2077 410">Llanos 23</td> </tr> <tr> <td data-bbox="983 410 1653 462"></td> <td data-bbox="1653 410 2077 462">Río Verde</td> </tr> <tr> <td data-bbox="983 462 1653 792" style="text-align: center;">Mobile sources</td> <td data-bbox="1653 462 2077 518">Caño Limón</td> </tr> <tr> <td data-bbox="983 518 1653 574"></td> <td data-bbox="1653 518 2077 574">Caricare</td> </tr> <tr> <td data-bbox="983 574 1653 631"></td> <td data-bbox="1653 574 2077 631">Alcaraván</td> </tr> <tr> <td data-bbox="983 631 1653 688"></td> <td data-bbox="1653 631 2077 688">Canacabare</td> </tr> <tr> <td data-bbox="983 688 1653 745"></td> <td data-bbox="1653 688 2077 745">Llanos 23</td> </tr> <tr> <td data-bbox="983 745 1653 792"></td> <td data-bbox="1653 745 2077 792">Río Verde</td> </tr> </table>		Alcaraván		Canacabare		Llanos 23		Río Verde	Mobile sources	Caño Limón		Caricare		Alcaraván		Canacabare		Llanos 23		Río Verde	
	Alcaraván																						
	Canacabare																						
	Llanos 23																						
	Río Verde																						
Mobile sources	Caño Limón																						
	Caricare																						
	Alcaraván																						
	Canacabare																						
	Llanos 23																						
	Río Verde																						
		<p>h. The Standards, methodologies, assumptions, and/or calculation tools used.</p>																					
		<p>Finally, in relation to the calculation of the uncertainty associated with the source, both the uncertainty associated with the activity level and the uncertainty associated with the emission factor (whose uncertainty values are obtained directly from the API or the IPCC) are considered; however, they also include standard parameters in the definition of the specific uncertainties of the activity levels that can be grounded to the operational reality of the companies; in the case of the use of emission factors estimated on their own, it is advisable to establish uncertainty levels for the GHGs considered. In order to evaluate the uncertainty of the GHG emissions inventory, the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories is used as a reference.</p>																					
		<p>The different procedures for calculating uncertainty for the GHG emissions inventory are presented as follows:</p>																					
		<ul style="list-style-type: none"> a. Directly determined emission factors: When periodic emission estimation information is available that can be directly linked to activity data, proprietary emission factors are developed, as in the case of the emission factor for electric power generation that is generated by a third party for the companies, from fuel supplied by the companies. In this type of case, monthly information is used to calculate the uncertainty. b. Emission factors from published references: When emission factors from other published sources are used, the uncertainty published by the same authors of the reference is used. To reduce uncertainty, the conditions under which the emission factors were calculated should be similar to the conditions of the reference. c. Activity data: These data are collected for purposes other than calculating the emissions inventory and are generally focused on economic purposes, so their uncertainty is low. The uncertainty of these data is found using internal studies or the judgment of experts in the companies. d. Expert judgment: When there is not enough information to calculate the uncertainty with field data, the judgment of experts who have experience and knowledge of a particular field of the companies is used. This procedure aims to develop a probability density function considering relevant issues such as similarity with other evaluated cases, as well as knowledge in the processes and procedures of the area. 																					

	<p>Once the uncertainties of the different categories have been calculated and determined, they should be combined to provide the uncertainty estimate for the entire inventory in each year. Two rules are used to calculate the uncertainty; the first (Rule A) is used when the uncertainties are combined as a consequence of an addition of quantities, the standard deviation of the sum will be the square root of the sum of the squares of the standard deviations of the quantities being added, with all standard deviations expressed in absolute terms. The second rule (Rule B) is used when uncertainties are combined as a consequence of multiplication; the same rule applies, but the standard deviations should be expressed as fractions of the average values.</p> <p>The equation of the above-mentioned rules is as follows:</p> <p>Rule A:</p> $UTotal = \frac{\sqrt{(U1 \times X1)^2 + (U2 \times X2)^2 + \dots + (Un \times Xn)^2}}{X1 + X2 + \dots + Xn}$ <p>Where, <i>UTotal</i>: The percentage uncertainty of the sum of the quantities (half of the 95% confidence interval divided by the total (average) and expressed as a percentage). <i>Ui and Xi</i>: These are the uncertainties and the percentage of uncertainty associated with each of the quantities.</p> <p>Rule B:</p> $UTotal = \sqrt{U1^2 + U2^2 + \dots + Un^2}$ <p>Where, <i>UTotal</i>: It is the percentage uncertainty of the product of the quantities (half of the 95% confidence interval divided by the total (average) and expressed as a percentage). <i>Ui</i>: These are the percentages of the uncertainty associated with each of the quantities.</p> <p>The scope of the assurance work is limited to cross-checking the information reported in the IS23 and in the GHG Inventory, in relation to the sources mentioned in the criteria (information consolidated from the records and reports of company areas); validation on a sample basis, of the existence and accuracy of source data for the calculation; and recalculation of the final values according to the formulas established in the criteria and based on the information included in these sources. It does not include the evaluation of the reasonableness or suitability of the sources, emission factors, calorific values, densities and global warming potentials mentioned in the criteria, the evaluation of the completeness of the sources of information basis for the calculation in the year under review, nor the evaluation of the occurrence of the events that gave rise to the report.</p>
<p>GRI 305-2 Indirect GHG emissions from energy generation (scope 2) (2016)</p>	<p>The IS23 includes the result of the GRI 305-2 indicator corresponding to "Indirect GHG emissions (scope 2)" for the year under review for the companies SierraCol Energy Arauca LLC, SierraCol Energy Andina LLC, and Colombia Energy Development Co - Cedco - (hereinafter companies).</p> <ul style="list-style-type: none"> • The Standards, methodologies, assumptions and/or calculation tools used: <p>It corresponds to the emission factors used by the companies taken from the calculation the National Interconnected System emission factor for GHG inventories carried out by XM (https://www.xm.com.co/noticias/6565-resultado-preliminar-calculo-del-factor-de-emision-para-el-inventario-de-gases-de) as Interconnected System operator and Colombian Wholesale Energy Market administrator, and American Petroleum Institute (API) (Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry 2021 version). The API Compendium 2021 methodology is used to calculate GHG emissions through the use of the SANGEA™ software solution (https://apisangea.org/WhatIsSangea) designed by the API to assist oil and gas companies in the estimation, management and reporting of GHG emissions; the GHG inventory report is prepared following the specifications of the Colombian Technical Standard (NTC, by its acronym in Spanish) ISO 14064-1. All the aforementioned methodological details are consolidated in the document "Design of SierraCol Energy's atmospheric emissions inventory".</p> <p>I. Emissions from imported electricity:</p>

These emissions are estimated to be associated with the consumption of electrical energy purchased (imported) from third parties (from the National Interconnected System or local suppliers) that is used within the locations of the reporting companies; this type of energy is the only one purchased by the companies. no consumption of energy flows for cooling, thermal energy or steam has been identified.

Emission values are presented for the locations of:

Llanos Norte (SierraCol Energy Arauca LLC, SierraCol Energy Andina LLC):

1. Caricare
2. Caño Limón

Llanos Central (Colombia Energy Development Co - Cedco):

1. Río Verde

To estimate the emissions associated with imported Scope 2 electricity, two estimation methods are used in accordance with the Greenhouse Gas Protocol Scope 2 methodological guidance: the location-based method and the market-based method.

a) Indirect GHG emissions from power generation (Scope 2) – location-based method:

The location-based method quantifies Scope 2 GHG emissions based on average power generation emission factors for defined locations, including local, subnational or national boundaries. For the case of Colombia, it consists of applying the emission factor reported for the National Interconnected System (SIN) and assuming that all electric power used by companies is supplied by the SIN.

The following formula is applied for the consolidation of indirect emissions by the location-based method:

$Emissions\ of\ CO2e = EF * (\sum Consumption)$
 Emissions of CO2e: Emissions of CO2 (lb o kg)
 EF: Emission factor (t CO2e/MWh)
 Consumption: Power consumption (MWh)

b) Indirect GHG emissions from power generation (Scope 2) - market-based method:

The market-based method quantifies scope 2 GHG emissions based on the GHG emissions emitted by the generators from which the companies purchase contractually packaged electricity with unbundled instruments or instruments. In addition to what was previously taken into account (XM emission factor for the SIN), emissions from local suppliers must be considered when the operating areas subcontract the direct supply of electricity through a third party using on-site energy sources. For these local suppliers, it is necessary to estimate the own emission factor from the amount of energy delivered, as well as the amount and characterization of the fuel used for generation.

The following formula is applied for the consolidation of indirect emissions using the market-based method:
 $Emissions\ of\ CO2e = (EF\ SIN * Consumption\ SIN) + (EF\ Genser\ Power - Gas * Consumption\ Genser\ Power - Gas)$
 Emissions of CO2e: Emissions of CO2e
 EF SIN: Emission factor of SIN supplier (weight/MWh)
 EF Genser Power - Gas: Emission factor of Genser Power – Gas supplier (weight/MWh)

Consumption SIN: Energy consumption of SIN supplier (MWh)
 Consumption Genser Power - Gas: Energy consumption of Genser Power – Gas supplier (MWh)

According to the GHG Protocol scope 2 methodological guide, indirect emissions from electricity should be estimated by both methods and reported separately. In addition, in Colombia the electricity generation basket has a mostly hydroelectric contribution, therefore, the emission factor for electricity purchased through the SIN is lower than the factors estimated for local suppliers (market-based method). Finally, SierraCol Energy has I-REC certificates that validate that all of the energy purchased from the National Interconnected System (SIN) in the Llanos Norte area comes from renewable sources from hydroelectric generation.

c) The gases included in the calculation are CO2, CH4 and N2O:

Emission Source	CO2	CH4	N2O
Indirect emissions	X	X	X

d) Source of emission factors used:

Emission factors are used according to the following sources for the operation of the companies at the Llanos Norte and Llanos Central locations (Caño Limón, Caricare, and Río Verde blocks):

Emission source	Associated material	Estimation methodology	CO2	CH4	N2O	Units	Reference
Imported electricity	Electricity SIN - 2023 onwards	Emission factor	172.8			kg/MWh	National Interconnected System Emission Factor Calculation - XM
Imported electricity	Electricity SIN - 2022	Emission factor	112			kg/MWh	UPME Resolution 762 Nov 22, 2023
Imported electricity	Electricity SIN - 2021	Emission factor	126			kg/MWh	UPME Resolution 320 Aug 5, 2022
Imported electricity	Electricity SIN - 2020	Emission factor	203			kg/MWh	UPME Resolution 382 Nov 2, 2021
Imported electricity	Electricity SIN - 2019	Emission factor	166			kg/MWh	UPME Resolution 385 Dec 24, 2020
Imported	Electricity SIN -	Emission factor	130			kg/MWh	UPME

	electricity	2018						Resolution 642 Dec 27, 2019
	Imported electricity	Electricity SIN - 2017	Emission factor	110			kg/MWh	UPME Resolution 774 Dec 28, 2018
	Imported electricity	Electricity SIN - 2016	Emission factor	210			kg/MWh	UPME Resolution 804 Dec 26, 2017
	Imported electricity	Electricity SIN - 2015	Emission factor	199			kg/MWh	UPME Attached Doc. Resolution 843 Dec 23, 2016
	Imported electricity	Electricity SIN - 2014 and prior years	Emission factor	157	0.0028	0.00185	kg/MWh	UPME Resolution 857 Dec 24, 2015
	Imported electricity	Electricity-Indirect GP Caricare - 2023	Emission factor	1.002	8.68 e ⁻⁶	8.61 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2022	Emission factor	0.9675	8.99 e ⁻⁶	8.91 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2021	Emission factor	0.8858	8.49 e ⁻⁶	8.42 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2020	Emission factor	0.7041	8.33 e ⁻⁶	8.26 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect CP Cosecha - 2020	Emission factor	1.156	5.42 e ⁻⁵	8.87 e ⁻⁷	tons/MWh	Own estimate SierraCol Energy
	Imported electricity	Electricity-Indirect CP Cosecha - 2019	Emission factor	1.089	5.10 e ⁻⁵	8.35 e ⁻⁶	tons/MWh	Own estimate SierraCol Energy

	Imported electricity	Electricity-Indirect GP Caricare - 2019	Emission factor	0.8991	7.60 e ⁻⁶	7.54 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2018	Emission factor	0,9603	8,12 e ⁻⁶	8,05 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2017	Emission factor	0,7075	9,18 e ⁻⁶	9,11 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2016	Emission factor	0,82	9,25 e ⁻⁶	9,17 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2015	Emission factor	0,8151	9,20 e ⁻⁶	9,12 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2014	Emission factor	0.8092	9.13 e ⁻⁶	9.05 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2013	Emission factor	0.8577	9.68 e ⁻⁶	9.60 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2012	Emission factor	0.7211	9.65 e ⁻⁶	9.57 e ⁻⁷	tons/MWh	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2011	Emission factor	0.8466	1.07 e ⁻⁵	7.07 e ⁻⁶	tons/MWh (CH4) Own estimate - Caia Ing.	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP
	Imported electricity	Electricity-Indirect GP Caricare - 2010	Emission factor	0.7938	1.01 e ⁻⁵	9.97 e ⁻⁷	tons/MWh (CH4) Own estimate - Caia Ing.	SierraCol GHG Emissions Inventory Design Document Exhibit B. Estimated EF GP

Global Warming Potential (GWP) Values (Potential Global Warming Values)		
Component	Emission factor/ GWP	Source
CO2	1	IPCC, 2014. Fifth Assessment Report.
CH4	28	
N2O	265	

- **The base year for the calculation:**

I. **justification for the selection:** After the transition to SierraCol Energy, it was decided to modify the base year of the GHG emissions inventory, changing from 2010 to 2020 as a reference year to compare its emissions over time; the main reason for the change is that during the year 2020 in Cedco's operations (Llanos Central), the preparation of the emissions inventory was started using the methodologies used in the emissions inventory of the Llanos Norte area. The year 2020 serves then as a reference due to the similarity in current operating conditions, with those evidenced when comparing with that year.

II. **emissions in the base year:** corresponds to the total emissions in tons of CO2e of the base year.

In turn, the methodology proposes the following exclusions in quantification:

- o Emissions generated in the administrative areas of the companies located in the city of Bogotá (electricity purchased from the National Interconnected System – SIN).

- f. The consolidation approach for emissions: shareholding, financial control or operational control.

The companies consider as an emissions consolidation approach the operational control at the Llanos Norte and Llanos Central locations (Caño Limón, Caricare, and Río Verde Blocks). Such operational limits are defined in the table below, as established in the document "Design of SierraCol Energy's atmospheric emissions inventory".

The scope of the assurance work is limited to cross-checking the information reported in the IS23 and in the GHG Inventory, in relation to the sources mentioned in the criterion (information consolidated from the records and reports of company areas); validation on a sample basis, of the existence and accuracy of source data for the calculation; and recalculation of the final values according to the formulas established in the criterion and based on the information included in these sources. It does not include the evaluation of the reasonableness or suitability of the sources, emission factors, calorific values, densities and global warming potentials mentioned in the criterion, the evaluation of the completeness of the sources of information basis for the calculation in the year under review, nor the evaluation of the occurrence of the events that gave rise to the report.

<p>GRI 307-1 Non-compliance with environmental laws and regulations (2016)</p>	<p>The management of the companies SierraCol Energy Arauca LLC. and Colombia Energy Development Co - Cedco included in its IS23 the result of the GRI 307-1 indicator corresponding to 'Non-Compliance with Environmental Legislation and Regulations' for the period of the year under review taking as a basis what is established on page 6 of the GRI 307 Content: Environmental Compliance (2016), and in line with the procedures established by the company's management, as presented below:</p> <ol style="list-style-type: none"> 1. Significant fines and non-monetary penalties for non-compliance with environmental laws or regulations and to indicate: <ol style="list-style-type: none"> i. Total monetary value of significant fines: Corresponds to fines over USD 500,000 as indicated in the 'Incident Investigation and Reporting Standard' of SierraCol Energy Arauca LLC, imposed in the year under review. In the file '<i>Actividades pendientes Asignar y ejecutar Actividades Dic 2023</i>' (Outstanding Activities Assign and Execute Dec 2023) for SierraCol Energy Arauca LLC and '<i>Cronogramas Autos</i>' (Autos Schedules) for CEDCO, created in Excel, administrative acts are followed up and verified by those responsible for the legal and environmental area and corroborated in the platform <i>Ventanilla de Trámites Ambientales in the Registro Único de Infractores Ambientales (VITAL)</i> of the Colombian Ministry of Environment and Sustainable Development. ii. Total number of non-monetary penalties: Corresponds to the number of non-material penalties or less than USD 500,000, threshold determined in the 'Incident Investigation and Reporting Standard' of SierraCol Energy Arauca LLC, in terms of environmental compliance imposed in the year under review. In the file "<i>Actividades pendientes Asignar y ejecutar Actividades Dic 2023</i>" for Sierracol Energy Arauca LLC and '<i>Cronogramas Autos</i>' for CEDCO', created in Excel, administrative acts are followed up and verified by those responsible for the legal and environmental area and corroborated in the platform <i>Ventanilla de Trámites Ambientales in the Registro Único de Infractores Ambientales (VITAL)</i> of the Colombian Ministry of Environment and Sustainable Development. iii. Cases submitted to litigation resolution mechanisms: Corresponds to the number of circumstances in which there has been a direct ruling against the reporting organization regarding non-compliance with environmental legislation and regulations and an appeal process has been implemented in the year under review through legal mechanisms, and corroborated in the platform <i>Ventanilla de Trámites Ambientales in the Registro Único de Infractores Ambientales (VITAL)</i> of the Colombian Ministry of Environment and Sustainable Development. 2. If the organization has not identified any non-compliance with environmental laws or regulations, it is sufficient to state this fact in a brief statement. <p>The scope of the assurance work was limited to the cross-checking of the information reported in the IS23 in relation to the sources mentioned in the criteria and those provided by the legal and environmental area of the reporting companies, at the cut-off corresponding to the year under review based on the information provided, the evaluation of the integrity of the documentation supports in the year under review, and corroborated with searches related to environmental non-compliance of the companies in the platform <i>Ventanilla de Trámites Ambientales in the Registro Único de Infractores Ambientales (VITAL)</i> of the Colombian Ministry of Environment and Sustainable Development, and did not include the evaluation of the reasonableness of the sources mentioned in the criterion, nor the evaluation of the occurrence of the events that gave rise to the report.</p>
<p>GRI 403-9 Work related injuries 2018</p>	<p>The Company's Management includes in its IS23 the result of the GRI 403-9 indicator "Work-related injuries" during the year under review of the companies SierraCol Energy Arauca, LLC, SierraCol Energy Andina, LLC and Colombia Energy Development Co, Cedco, taking as a basis what is established on pages 19 and 20 of the section "GRI 403: Occupational Health and Safety" of the Global Reporting Initiative (GRI) Standard (2018), and in line with the procedures established by the Companies' Management, as presented below:</p> <p>Reporting will be done in accordance with the following companies:</p> <ol style="list-style-type: none"> 1. SierraCol Energy Arauca, LLC: Headquarters in Bogota and Llanos Norte. The latter includes the following association contracts with Ecopetrol: <ul style="list-style-type: none"> ● Cravo Norte ● Rondón ● Cosecha

- Chipiron
- 2. Colombia Energy Development Co (Cedco): Llanos Central, which includes the following blocks:
 - Alcaraván A
 - Alcaraván B
 - Río Verde
 - Llanos - 23
 - Catalina
 - Torcaz
- 3. SierraCol Energy Andina, LLC: Magdalena Medio, in which the following blocks are included:
 - La Cira Infantas
 - Teca
 -

These categories will be evaluated according to the following information:

a. For all employees: The following are the guidelines for calculating the indicators, which include in all cases the number of deaths and the number of man-hours worked, as explained below:

i. The number and rate of fatalities resulting from a work-related injury.

• **Number of deaths resulting from a work-related injury:**

- SierraCol Energy Arauca, LLC: Headquarters in Bogotá and Llanos Norte.

It corresponds to the sum of deaths of employees resulting from a work-related injury in the year under review, as indicated in the file "Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023" prepared by the Industrial Safety Advisor of the HS Department of the reporting company, with the total information for the year to be evaluated.

- Colombia Energy Development Co (Cedco): Llanos Central:

It Corresponds to the sum of deaths of employees resulting from a work-related injury in the year under review, as indicated in the file "Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023" prepared by the Industrial Safety Advisor of the HS Department of the reporting company, with the total information for the year to be evaluated.

- SierraCol Energy Andina, LLC: Magdalena Medio:

SierraCol Energy Andina LLC has no direct employees.

• **Number of man-hours worked of employees:**

See description below in item a.v.

• **Rate of death resulting from a work-related injury:** It corresponds to the application of the following formula:

$$= \frac{(Number\ of\ deaths\ resulting\ from\ a\ work\ -\ related\ injury\ of\ employees) * 1,000,000}{(Ttal\ number\ of\ man\ -\ hours\ worked\ by\ employees\ during\ the\ period\ under\ evaluation)}$$

ii. The number and rate of work-related injuries with serious consequences (not including fatalities). For this calculation, the following definitions will be taken into account:

- **Number of work-related injuries with serious consequences (not including fatalities):**

- SierraCol Energy Arauca, LLC: Headquarters in Bogotá and Llanos Norte.

It corresponds to the total number of cases, in the year under review, in which employee injuries result in harm such that the worker cannot or does not fully recover to pre-accident state of health, or the worker is not expected to fully recover to pre-accident state of health within 6 months. Accidents that do not meet these characteristics of the GRI standard will be considered in the recordable accidents (see point iii).

The procedure for the calculation of accidents with serious consequences is structured in the document "60.450.026 Standard for reporting and investigation of incidents and occupational diseases" of SierraCol. The consolidated of these calculations can be found in the file "*Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023*", prepared by the Industrial Safety Advisor of the HS Department of the reporting company, with the total information of the year to be evaluated.

- Colombia Energy Development Co (Cedco): Llanos Central:

It corresponds to the total number of cases, in the year under review, in which employee injuries result in harm such that the worker cannot or does not fully recover to pre-accident state of health, or the worker is not expected to fully recover to pre-accident state of health within 6 months. Accidents that do not meet these characteristics of the GRI standard will be considered in the recordable accidents (see point iii).

The procedure for calculating accidents with serious consequences is structured in Cedco's document "*PR-HSE-009 CEDCO Proc de Notificación e Investigación de Incidente y EL.pdf*". The consolidated of these calculations can be found in the file "*Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023*", prepared by the Industrial Safety Advisor of the Company's HS Department, with the total information for the year to be evaluated.

- SierraCol Energy Andina, LLC: Magdalena Medio:

SierraCol Energy Andina LLC has no direct employees.

- **Number of man-hours worked of employees:**

See description below in item a.

- **Rate of work-related injuries with serious consequences (excluding fatalities):**

It corresponds to the following formula:

$$= \frac{\text{Number of work – related injuries with major consequences (excluding fatalities) to employees} * 1,000,000}{\text{Total number of employee man – hours worked}}$$

iii. The number and rate of work-related injuries that are recordable.

- **Number of recordable work-related injuries:**

	<ul style="list-style-type: none"> ○ SierraCol Energy Arauca, LLC: Headquarters in Bogotá and Llanos Norte: <p>It corresponds to the sum of employee work-related accidents, considered recordable with any of the following outcomes: "death, days off work, work restriction or transfer to other positions, fainting or medical treatment beyond first aid; or serious injury or illness diagnosed by a physician or other health professional, even if it does not result in death, days off work, work restriction or transfer to other positions, fainting or medical treatment beyond first aid" as defined by the GRI Standards.</p> <p>The procedure for the calculation of recordable occupational accidents is structured in the document "60.450.026 Standard for reporting and investigation of occupational incidents and diseases" of SierraCol. The consolidated of these calculations can be found in the file "<i>Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023</i>", prepared by the Industrial Safety Advisor of the HS Department of the reporting company, with the total information of the year to be evaluated.</p> ○ Colombia Energy Development Co (Cedco): Llanos Central: <p>It corresponds to the sum of employee work-related accidents, considered recordable with some of the following outcomes: "death, days off work, work restriction or transfer to other positions, fainting or medical treatment beyond first aid; or serious injury or illness diagnosed by a physician or other health professional, even if it does not result in death, days off work, work restriction or transfer to other positions, fainting or medical treatment beyond first aid" according to the definition of the GRI Standards.</p> <p>The procedure for calculating accidents with serious consequences is structured in Cedcol's document "PR-HSE-009 CEDCO Proc de Notificación e Investigación de Incidente y EL.pdf". The consolidated of these calculations can be found in the file "<i>Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023</i>", prepared by the Industrial Safety Advisor of the HS Department of the reporting company, with the total information of the year to be evaluated.</p> ○ SierraCol Energy Andina, LLC: Magdalena Medio: <p>SierraCol Energy Andina LLC has no direct employees.</p> <ul style="list-style-type: none"> ● Number of man-hours worked of employees: <p>See description below in item a.</p> ● Recordable work-related injury rate: <p>It relates to the application of the following formula:</p> $= \frac{(Number\ of\ recordable\ employee\ work\ -\ related\ accidents) * 1,000,000}{(Total\ number\ of\ employee\ man\ -\ hours\ worked)}$ <p>iv. Main types of work-related injuries.</p> <ul style="list-style-type: none"> ● SierraCol Energy Arauca, LLC: Headquarters in Bogotá and Llanos Norte: <p>It corresponds to the types of incidents suffered by employees of work-related injuries and classified in the file "<i>Gráficas TRIR SierraCol - 2023.xlsx</i>".</p> ● Colombia Energy Development Co (Cedco): Llanos Central: <p>It corresponds to the types of incidents suffered by employees of work-related injuries and classified in the file "<i>Gráficas TRIR SierraCol - 2023.xlsx</i>".</p>
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	<ul style="list-style-type: none"> • SierraCol Energy Andina, LLC: Magdalena Medio: <p>SierraCol Energy Andina has no direct employees.</p> <p>v. The number of hours worked.</p> <ul style="list-style-type: none"> • SierraCol Energy Arauca, LLC: Headquarters in Bogotá and Llanos Norte: <p>It corresponds to the record of the total man hours worked by employees during the year under review, reported monthly by the payroll area, which are verified and consolidated in the Excel file “<i>HHT por Lugar de Trabajo Proyecto Diciembre-23.xlsx</i>” by the HS Department’s Industrial Safety Advisor.</p> <ul style="list-style-type: none"> • Colombia Energy Development Co (Cedco): Llanos Central: <p>It corresponds to the record of the total man hours worked by employees during the year under review, reported monthly by the payroll area, which are verified and consolidated in the Excel file “<i>HHT CEDCO 2023 - FR-HSE-044 Reporte de Indicadores_2023.xlsx</i>” by the HES Specialist of the HS Department.</p> <ul style="list-style-type: none"> • SierraCol Energy Andina, LLC: Magdalena Medio: <p>SierraCol Energy Andina LLC has no direct employees.</p> <p>b. For contractors of reporting companies: Understood as all workers who are not employees, but whose jobs or workplaces are controlled by the company.</p> <p>i. The number and rate of fatalities resulting from a work-related injury:</p> <ul style="list-style-type: none"> • Number of fatalities resulting from a work-related injury: <ul style="list-style-type: none"> ○ SierraCol Energy Arauca, LLC (Bogotá Headquarters and Llanos Norte); and SierraCol Energy Andina, LLC (Magdalena Medio): <p>It corresponds to the sum of contractor fatalities resulting from a work-related injury in the year under review, as indicated in the Excel file “<i>Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023</i>”, which is manually created with the information exported from the SharePoint of the Contractor’s website. This platform is managed by the Field Coordinator and the Industrial Safety Specialist.</p> <ul style="list-style-type: none"> ○ Colombia Energy Development Co (Cedco): Llanos Central: <p>It corresponds to the sum of contractor fatalities resulting from a work-related injury in the year under review, as indicated in the file “<i>Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023</i>”, which is manually created with the information exported from the SharePoint of the Contractor’s website. This platform is managed by the Cedco’s Field Coordinator and the Industrial Safety Specialist.</p> • Number of employees’ man-hours worked: <p>See description below under b.</p> <ul style="list-style-type: none"> • Rate of fatalities resulting from a work-related injury:
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It corresponds to the application of the following formula:

$$\frac{(\text{Number of fatalities resulting from contractors' work-related injuries}) * 1,000,000}{(\text{Total number of contractor man-hours worked})}$$

ii. The number and rate of work-related injuries with serious consequences (excluding fatalities).

- **Number of work-related injuries with serious consequences (excluding fatalities):**

- For all three companies evaluated:

It corresponds to the total number of cases, in the year under review, in which injuries to contractors result in damage such that the worker cannot or does not fully recover the pre-accident state of health, or the worker is not expected to fully recover the pre-accident state of health within 6 months. Accidents that do not meet these characteristics of the GRI standard will be considered in the recordable accidents (see point iii).

These calculations are consolidated in the file "Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023", which is manually created with the information exported from the SharePoint of the Contractor's website. This platform is managed by the Field Coordinator and the HS Advisor.

- **Number of employees' man-hours worked:**

See description below under b.

- **Rate of work-related injuries with serious consequences (excluding fatalities):**

It corresponds to the application of the following formula:

$$\frac{[\text{Number of contractors' work - related injuries with serious consequences (excluding fatalities)} * 1,000,000]}{(\text{Total number of contractor man - hours worked})}$$

iii. The number and rate of recordable work-related injuries.

- **Number of recordable work-related injuries:**

- For all three companies evaluated:

It corresponds to the sum of the contractors' work-related accidents, considered recordable with any of the following results: "death, days off work, work restriction or transfer to other positions, fainting or medical treatment beyond first aid; or serious injury or illness diagnosed by a physician or other health professional, even if it does not result in death, days off work, work restrictions or transfers to other positions, fainting or medical treatment beyond first aid" according to the definition of the GRI Standards.

These calculations are consolidated in the file "Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023", which is manually created with the information exported from the SharePoint of the Contractor's website. This platform is managed by the Field Coordinator and the HS Advisor.

All work-related accidents are reported to the Labor Risks Administration (ARL, per its Spanish acronym). However, only accidents that occur during the performance of work-related activities are considered recordable.

	<ul style="list-style-type: none"> ● Number of man-hours worked of employees: <p>See description below under b.</p> <ul style="list-style-type: none"> ● Recordable work-related injury rate: <p>It corresponds to the application of the following formula:</p> $= \frac{(Number\ of\ recordable\ contractors'\ work\ -\ related\ accidents) * 1,000,000}{(Total\ number\ of\ contractor\ man\ -\ hours\ worked)}$ <p>iv. The most common types of work-related injuries:</p> <ul style="list-style-type: none"> ● For all three companies: <p>It corresponds to the types of incidents of work-related injuries suffered by contractors and classified in the file "Gráficas TRIR SierraCol - 2023.xlsx", which is manually created with the information exported from the SharePoint of the Contractors' website. This platform is managed by the Field Coordinator and the HS Advisor.</p> <p>v. The number of hours worked.</p> <ul style="list-style-type: none"> ● SierraCol Energy Arauca, LLC (Bogotá Headquarters and Llanos Norte) and Colombia Energy Development Co (Cedco) (Llanos Central) <p>It corresponds to the recording of the total man-hours worked by contractors during the year under review. The contractors report during the first 10 days of each month on the SharePoint of the contractors' website. At the end of the month, the man-hours worked during the provision of services are reviewed by the Industrial Safety Advisor of the reporting company, who validates the information, approves it and consolidates it in the file "Gráficas TRIR SierraCol - 2023.xlsx".</p> <ul style="list-style-type: none"> ● SierraCol Energy Andina, LLC: Magdalena Medio: <p>It corresponds to the recording of the total man-hours worked by the contractors for CAPEX activities during the year under review only in the La Cira Infantas field, as there were no related activities in the Teca field in 2023. The contractors report the man-hours worked during the first 10 days of each month on the SharePoint of the contractors' website. At the end of the month, this consolidated information is reviewed by the Industrial Safety Advisor of the reporting company, who validates the information, approves it and consolidates it in the file "Gráficas TRIR SierraCol - 2023.xlsx".</p> <p>c. Occupational hazards that present a risk of work-related injury with serious consequences in Llanos Norte, Llanos Central and Magdalena Medio, by stating:</p> <ol style="list-style-type: none"> i. How these hazards are determined. ii. Which of these hazards have caused or contributed to causing work-related injuries with serious consequences during the year 2023. iii. The measures taken or planned to eliminate these hazards and to minimize the risks through the control hierarchy. These correspond to the measures or programs developed to eliminate the hazards identified in the risk matrix "Matriz IPEVRDC SierraCol, Rev Feb2024.xlsx", developed according to the GTC - 45 Guide.
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	<p>d. Measures taken or planned to eliminate other occupational hazards and minimize risks through the hierarchy of control.</p> <p>It corresponds to the risks and hazards that must be managed to minimize risks and eliminate occupational hazards in the following work areas, as established in the file "Matriz IPEVRDC SierraCol, Rev Feb2024.xlsx":</p> <ul style="list-style-type: none"> • Teca • Caño Limón • Caricare • Chipirón • La Cira Infantas • Llanos Norte • Cosecha • Offices in Bogotá <p>e. Whether the rates are calculated per 200,000 or per 1,000,000 hours worked.</p> <p>In the file "Datos estadísticos estándar GRI 403-8, 403-9, 403-10 – Año 2023" the reporting companies define the parameter they use to calculate the rates.</p> <p>f. Whether any workers have been excluded from this Content, including the type of worker and the reason for exclusion.</p> <p>This refers to the total number of employees and contractors involved in the operation of the Llanos Norte, Bogotá Headquarters, Llanos Central and Magdalena Medio blocks.</p> <p>g. Any contextual information necessary to understand how data from the sources mentioned in this criterion have been collected for SierraCol Energy Arauca LLC, Colombia Energy Development Co (Cedco) and SierraCol Energy Andina LLC, as well as any standards, methodologies or assumptions used.</p> <p>The scope of the assurance work was limited to a cross-checking of the information reported in the IS23 against the sources mentioned in the criteria and those provided by the reporting company's HS Department; to a validation, on a sample basis, of the existence of the cases recorded in the source documents; to a validation of the cut-off for the year under review based on the information provided; to an evaluation of the completeness of the supporting documentation for the year under review, and did not include an evaluation of the reasonableness of the sources mentioned in the criteria.</p>
<p>Local employment (Entity-developed Criteria)</p>	<p>The Company's Management included in its IS23 the result of its own indicator corresponding to "Local employment" for the year under review of the companies SierraCol Energy Andina LLC, (Barrancabermeja) and SierraCol Energy Arauca LLC (Arauca and Arauquita). The calculation of this indicator considers the local jobs generated under the modality of contractors that worked with the mentioned companies between January and December 2023 or trained and untrained labor. It is defined as follows:</p> <p>1. Percentage (%) of local trained labor force =</p> $\frac{\text{Average annual number of employees of local trained labor force}}{\Sigma(\text{Average annual number of employees of total local trained labor force} + \text{Average annual number of employees of trained labor force rest of the country})}$ <p>The calculation is made independently for each company as follows:</p> <ul style="list-style-type: none"> • Average annual number of employees of local trained workforce: Calculated as the sum of the number of employees of local trained workforce divided by twelve (12) months, as indicated in the document "Calculo empleo local 2023.xlsx" provided by the Corporate Social Responsibility Area.

	<ul style="list-style-type: none"> • Average annual number of employees of trained workforce in the rest of the country: Calculated as the sum of the number of employees of trained workforce in the rest of the country divided by twelve (12) months, as indicated in the document "Calculo empleo local 2023.xlsx" provided by the Corporate Social Responsibility Area. <p>Where:</p> <ul style="list-style-type: none"> • Trained labor: refers to all those positions that require technical, technological or professional studies, certifications or experience. • Local trained labor employees refer to all trained labor employees who accredit their residence in the areas of influence of the assets through certificates issued by the competent authorities. • Trained manpower employees in the rest of the country refers to all trained manpower employees whose residence is not in the area of influence. <p>2. Percentage (%) of untrained local labor force =</p> $\frac{\text{Annual average number of employees of local untrained labor force}}{\Sigma(\text{Average annual number of employees of local untrained labor force} + \text{Average annual number of employees of untrained labor force rest of the country})}$ <p>The calculation is made independently for each company as follows:</p> <ul style="list-style-type: none"> • Average annual number of local untrained labor employees: calculated as the sum of the number of local untrained labor employees divided by twelve (12) months, as indicated in the document "Calculo empleo local 2023.xlsx" provided by the Corporate Social Responsibility Area. • Average annual number of local untrained labor employees: calculated as the sum of the number of local untrained labor employees divided by twelve (12) months, as indicated in the document "Calculo empleo local 2023.xlsx" provided by the Corporate Social Responsibility Area. <p>Where:</p> <ul style="list-style-type: none"> • Untrained labor: refers to all those positions that do not require previous experience or academic training to be exercised. • Local untrained labor employees: refers to all untrained labor employees who prove their residence in the companies' areas of influence through certificates issued by the competent authorities. • Untrained labor employees in the rest of the country: refers to all untrained labor employees whose residence is not in the zone of influence. • The untrained labor category considers the following positions: laborers, yard workers, yard workers, waitresses, sample collectors, general service helpers, road assistants and pallet workers. <p>Area of influence: the area of influence shall be understood as the municipality or municipalities where the company's exploration or exploitation activities are carried out in the companies referred to. Sources of information: the indicator is calculated based on the report "Calculo empleo local 2023.xlsx" prepared by the Local Content Advisor, whose supports are the "employability reports" sent monthly by contractors to the Labor Audit team to SierraCol Arauca and the "labor" reports sent monthly by contractors to the Labor Audit team to SierraCol Andina. These reports have as annexes the documents that support the hiring processes of the employees.</p> <p>The scope of the assurance work is limited to a cross-checking of the information reported in the IS23 with the information provided by the Local Content Advisor of SierraCol Energy Arauca LLC; to a validation, on a sample basis, of the existence and accuracy of the data recorded in the source documents for the calculation; to a recalculation of the final values according to the formulas established in the criteria; and to an evaluation of the completeness of the supporting documentation for the year under review. It does not include the evaluation of the reasonableness of the sources mentioned in the criteria, nor the occurrence of the events that gave rise to the report.</p>
<p>GRI 11.8.3 Total number of Tier 1 and Tier 2 process safety events</p>	<p>The Company's management includes in its IS23 the result of the GRI 11.8.3 indicator, which refers to the total number of Tier 1 and Tier 2 process safety events of its operations at the Llanos Norte and Llanos Central locations in the year under review, based on what is established on page 31 of the GRI 11 - Oil and Gas Sector 2021 content in the standard REF# 11.8.3. The Company's management defines Tier 1 and Tier 2 events based on API RP 754 - Process Safety Performance Indicators for the Refining and Petrochemical Industries (2nd Edition), and they are published in the 'PROCESS SAFETY KPI's' procedure in its items 3.2 and 3.3 as follows:</p>

	<ul style="list-style-type: none"> i. Tier 1 - An unplanned and uncontrolled discharge of any material, including non-toxic and non-flammable materials (e.g., steam, hot water, nitrogen, compressed CO₂, or compressed air) from a process at the company's operations in Llanos Norte and Llanos Central, recorded in the file 'Risk Management PSI 2023 - LLN.xlsx' provided by the Risk Management Administration for events occurring in Llanos Norte and in the file 'Risk Management PSI 2023 -LLC.xlsx' provided by the Risk Management Administration for events occurring in Llanos Central, which results in one or more of the following consequences: ii. Disability or fatality of an employee, contractor or subcontractor. iii. Fatality or hospital admission of a third party. iv. Officially declared evacuation (even as a precaution) of a community or reservation. v. A fire or explosion with damage equal to or exceeding USD 100,000 in direct costs to the company. vi. A specifically designed/engineered pressure relief release (e.g., pressure relief devices, pressure relief control systems, manually initiated emergency depressurization), greater than or equal to the threshold defined in Appendix A of 60.400.309 PR, for Tier 1, in a one (1) hour period, and directed into the atmosphere directly or through a downstream device, which results in one or more of the following consequences: <ul style="list-style-type: none"> a. Condensation / Precipitation. b. Discharge in a potentially unsafe area. c. Evacuation from a shelter or land. Excluding precautionary evacuations. d. Community protection measures (e.g., road closure). Even when the protective measures are a precaution. vii. A process upset emission from a regulated or authorized source, with an amount greater than or equal to the threshold defined in Appendix A of 60.400.309 PR procedure, for an event classified as Tier 1, in a one (1) hour period, that results in one or more of the following consequences: <ul style="list-style-type: none"> a. Condensation / Precipitation. b. Discharge in a potentially unsafe area. c. Evacuation from a shelter or land. Excluding precautionary evacuations. d. Community protection measures (e.g., road closure). Even when the protective measures are a precaution. viii. A release of material greater than or equal to the threshold defined in Appendix A of 60.400.309 PR procedure, for Tier 1 category, in a one (1) hour period. ix. Tier 2 - corresponds to an unplanned and/or uncontrolled discharge of any material, including non-toxic and non-flammable materials (e.g., steam, hot water, nitrogen, compressed CO₂, or compressed air), from a process recorded in the file 'Risk Management PSI 2023 - LLN.xlsx' provided by Risk Management Administration for events occurring in Llanos Norte (SierraCol) and in the file 'Risk Management PSI 2023 -LLC.xlsx' provided by Risk Management Administration for events occurring in Llanos Central (Cedco), resulting in one or more of the following consequences: <ul style="list-style-type: none"> 1. A recordable case of illness or injury to an employee, contractor or subcontractor. 2. A fire or explosion with damage equal to or greater than USD 2,500 in direct costs to the company. Note: A fire or explosion causing a Loss of Primary Containment (LOPC) in a process may cause a review of the consequences of the Tier 2 incident. This does not imply that the LOPC must occur first. 3. A specifically designed/engineered pressure relief release (e.g., pressure relief devices, pressure relief control systems, manually initiated emergency depressurization), with an amount greater than or equal to the threshold defined in Appendix A of 60.400.309 PR, for Tier 2, within a one (1) hour period, and directed into the atmosphere directly or through a downstream device, that results in one or more of the following consequences: <ul style="list-style-type: none"> x. Condensation / Precipitation. xi. Discharge to a potentially unsafe area. xii. Evacuation from a shelter or land. Excluding precautionary evacuations. xiii. Community protection measures (e.g., road closures). Even when the protective measures are a precaution. 4. A process upset emission from a regulated or authorized source, with an amount greater than or equal to the threshold defined in Appendix A of 60.400.309 PR for a Tier 2 classified event, in a one (1) hour period, resulting in one or more of the following consequences:
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	<p>xiv. Condensation / Precipitation. xv. Discharge to a potentially unsafe area. xvi. Evacuation from a shelter or land. Excluding precautionary evacuations. xvii. Community protection measures (e.g., road closures). Even when the protective measures are a precaution.</p> <p>5. A release of material greater than or equal to the threshold defined in Appendix A of 60.400.309 PR procedure, for Tier 2 category, in a period of one (1) hour.</p> <p>The Risk Management Administration (RM Adm) is responsible for properly applying the requirements for reporting Process Safety events and consolidating them in the file "Risk Management PSI 2023 - LLN.xlsx" for events occurring in Llanos Norte (SierraCol) and in the file "Risk Management PSI 2023 -LLC.xlsx" for events occurring in Llano Central (Cedco). The scope of the assurance work is limited to a cross-checking of the information reported in the IS23 with the information provided by the Risk Management Administration for the reporting of this indicator in the year under review; to a validation, on a sample basis, of the existence and accuracy of the data recorded in the source documents for the calculation; and to an evaluation of the completeness of the supporting documentation for the year under review. It does not include the evaluation of the reasonableness of the sources mentioned in the criteria, nor the occurrence of the events that gave rise to the report.</p>
<p>Social Investment (Entity-developed Criteria)</p>	<p>The Company's Management included in its IS23 the result of its own indicator corresponding to "Social Investment" for the year under review, reported in Colombian pesos (COP) and in US dollars (USD), excluding VAT, for the companies SierraCol Energy Arauca, LLC, SierraCol Energy Andina, LLC and Colombia Energy Development Co - Cedco.</p> <p>Social investment is the set of programs and projects carried out by the companies SierraCol Energy Arauca, LLC, SierraCol Energy Andina, LLC and Colombia Energy Development Co - Cedco within the framework of their operations with the purpose of promoting, among other things, territorial development, human development and contributes to improving the quality of life of the beneficiaries targeted for intervention.</p> <p>Programs and projects identified as social investment are grouped and contained in the annual social investment plan of each of the companies and contain the following characteristics:</p> <ul style="list-style-type: none"> • It involves voluntary social investment, which is the one that the companies execute discretionally and the mandatory one that is regulated in the blocks whose contracts are ANH and stipulated according to the type of contract. • They are classified according to the 4 prioritized lines of social investment called: i) Infrastructure for development – ii) Entrepreneurship and income generation- iii) Education and social inclusion- iv) Improvement of quality of life. • It includes all administrative and human resource costs necessary for the execution of social investment programs and projects in the field. <p>The indicator corresponds to the amount of projects and programs executed and/or invoiced by SierraCol Energy Arauca, LLC, SierraCol Energy Andina, LLC and Colombia Energy Development Co – Cedco in 2023. This investment is detailed in the annual social investment plans consolidated in the file "<i>Consolidado Inversión Social 2023</i>", provided by the Social Investment and Planning Area and is supported by the delivery reports and/or delivery minutes of the projects and/or invoices from suppliers. For the investment reported in USD, the exchange rate used was determined based on the average exchange rate used by the Company's accounting system for the accounting record of operations during the current year.</p>