2020
SUSTAINABILITY REPORT
A YEAR WITHOUT EXCUSES

PAREX


PAREX
Translator's Note: This document was written in Spanish and subsequently translated into English. If any discrepancies are found between the original Spanish version and the translated English version, the content and meaning of the original Spanish document shall prevail.
TKV-500-9
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CONTENT

02

LETTER FROM THE PRESIDENT AND CEO OF PAREX RESOURCES INC.

GRI 102-14

IMAD MOHSEN
PRESIDENT AND CEO OF PAREX RESOURCES INC.

I am pleased to present Parex' seventh annual Sustainability Report and my first as the President & CEO of Parex Resources Inc. As an oil and gas company, Parex is committed to responsibly manage sustainability matters within frameworks that prioritize people, planet, and profits while delivering strong operational results. Our long-term aspiration is to become one of the least carbon intensive oil and gas exploration & production companies.

In this report, we discuss the Company's 2020 environmental, social and governance ("ESG") performance; and present our corporate sustainability practices and future plans. Also, we provide a progress report on sustainability management based on the 10 principles of the United Nations Global Compact, an organization Parex joined in August 2020.

The ongoing COVID-19 Pandemic has been challenging for companies worldwide, including Parex. As a Company, we continue to prioritize the health and well-being of our employees by adhering to and sometimes exceeding the safety measures recommended or put in place by local authorities. Notwithstanding the challenges presented by the Pandemic, our operations and sustainability initiatives continue successfully.

In 2020, we invested in key social initiatives to increase access to clean water, education, and safe housing. We supported our communities by delivering food to address the shortages resulting from the Pandemic. In addition, we commissioned one of the first geothermal energy units in South America, an initiative which will displace carbon intensive fuels and contribute to the Company's mid-term GHG emissions reduction strategy. Our 2020 financial and operating results demonstrated the Company's resilience as it was able to navigate through the crisis by maintaining financial flexibility, managing exploration and production activities relative to volatile crude oil prices.

I wish to highlight the significant progress we have made in advancing transparent disclosure of our sustainability performance; we report through multiple frameworks such as the CDP and the S&P Global Corporate Sustainability Assessment (CSA). Our efforts are being rewarded with above average industry ESG ratings like CDP (B score) and other rating agencies such as Sustainalytics (6th percentile – 9 out 175 E&Ps) . We are responsive to stakeholders' calls for decision-useful sustainability information. In 2019, we began aligning our disclosure to the Sustainability Accounting Standards Board's (SASB) Standards for the Oil & Gas - Exploration & Production Industry which is of great relevance to investors. Our 2020 report will make further progress towards full alignment with SASB.

ADVANCING ESG GOVERNANCE & OVERSIGHT

Aware of the increasing importance of sustainability to stakeholders, Parex took steps to outline, within their mandates, the Board's and its committees' responsibilities over sustainability practices and prepare the Company to face emerging challenges, including climate-related energy transition risks and opportunities. Also, the Company established an ESG Steering Committee, led by the President & CEO, to guide corporate ESG actions at the Management level. These initiatives reinforced the governance and management structures for the proper oversight and integration of ESG considerations with potential impact on Parex' long-term sustainability. As an example, Parex has now included ESG risks into the existing enterprise risk management (ERM) program. These actions are the initial steps for alignment with the Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations on 2 core elements - governance and risk management.

In 2021, we are taking additional steps that will eventually lead us to communicate our long-term climate strategy with the objective to report according to the TCFD Recommendations. Recently, we announced our targets and long-term ambition for operated assets:

- Near-Term Goal: Eliminate routine flaring by the end of 2025, supporting the World Bank's Zero Routine Flaring by 2030 initiative,
- Medium-Term Target: Reduce Scopes 1 and 2 GHG emissions intensity by 50% by 2030 from a 2019 baseline, and
- Long-Term Ambition: As an aspirational goal, achieve net-zero Scopes 1 and 2 GHG emissions by 2050.

The Company's sustainability actions are not only limited to climate-related matters; we have reinforced our commitment to diversity & inclusion and linked sustainability performance to compensation. At the Board level, we set a target to achieve at least 30% representation of women by no later than May 2023. In 2021, we will focus on updating key policies and processes to ensure the removal of unintended barriers, promoting a more diverse workforce. Also 30% of the 2021 short-term incentives (annual bonus plan) have been linked to performance on key sustainability metrics, including:

- Sanctioning emissions reducing projects
- Delivering safe operations
- Expanding social projects that improve the social conditions in the communities where we operate
- Implementing TCFD and SASB in ESG disclosure
- Delivering a Diversity & Inclusion Plan

I would like to thank all our stakeholders for their continued support and reiterate our commitment to manage sustainability matters that focus on people, planet, and profits.

[1] Sustainalytics ESG Risk Rating Report at July 23, 2021

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LETTER FROM THE PRESIDENT & COUNTRY MANAGER OF PAREX RESOURCES COLOMBIA

GRI 102-14

We continued to drive business growth while advancing our strategy to fight climate change

DANIEL FERREIRO
PRESIDENT OF PAREX RESOURCES

After eleven years as Operations Manager and, later as Vicepresident for Operations in Parex Resources Colombia, I became the company's president. This position had been previously occupied by Lee DiStefano who brought great leadership, commitment, and dedication to the Commpany. I thank him and all our team for their support as I take on this new professional challenge.

Throughout 2020 Parex reaffirmed its ongoing commitment to Colombia. Amidst the challenges posed by the COVID-19 pandemic and the volatility of the global oil price, we were able to adapt quickly, both to reduce our exposure in times of uncertainty, and to resume activity when conditions stabilized, always maintaining our commitment to generate shared benefits.

We relied on our ability to work as a team to find solutions for the challenges posed by the pandemic, developing rigorous biosecurity protocols and implementing decisions aimed at protecting our staff in Bogotá and in the field. I am deeply grateful to those who made the continuity of our operations possible, helping us meet the energy needs of Colombians. I share a deep admiration for all those who worked remotely and diligently to carry out these tasks.

Together, we decided that the crisis should not be an excuse or an obstacle to continue fulfilling our commitments to the authorities, as well as our shareholders, partners, customers, employees, contractors, and communities. We are responsible to all our stakeholders who have supported and trusted us since Parex' began its operations in 2009.

We closed 2020 with a solid financial position due to our prudent management style. Further, we expanded our portfolio with the acquisition of two new blocks (VIM-43 and LLA-134), and carried out significant exploration activities: we drilled 30 gross wells with a success rate of 93%, incorporating 18.5 million BOEs in 2P reserves, ending the year with total 2P reserves of 194 million BOEs.

We focused on innovation to reduce our carbon footprint through a novel project in Colombia to generate electricity from geothermal energy

In 2020 we allocated and spent
USD $4.58 MILLON
for social projects

We will become even stronger and continue to work to become the leading private operator in Colombia

During the crisis we did not consider reducing our staff. We put together multidisciplinary teams to enhance our Health and Safety performance, as well as to implement the social and environmental sustainability projects we had devised.

In a consistent and committed manner, we managed the environmental, social and governance (ESG) issues present in all our activities, and which are commonly associated with the hydrocarbons industry. We continued to drive business growth while advancing our strategy to fight climate change. To achieve this, we focused on innovation to reduce our carbon footprint through the use of heat from surface production fluids from our oil fields for the production of both hydrocarbons and electrical power, an unprecedent initiative in Colombia.

In 2020 we allocated and spent COP $16,854 million (USD $4.58 million) for social projects, a 36% increase as compared to 2019; our investment emphasized high impact social projects, especially those providing communities access to fresh water. In addition, to mitigate the impact of COVID, through our Parex Solidario program, we donated essential food products to hundreds of homes and delivered biosecurity items to local communities and health institutions near our operations.

Furthermore, we are able to report that for 16 consecutive months (490 days) we had zero (0) lost-time incidents. Clearly, 2020 was a challenging but successful year for Parex. We believe that our success comes from an integrated management approach: we succeed when our employees thrive in the workplace, occupational health and safety risks are reduced, contractors and suppliers develop competitive businesses, the quality of life for neighboring communities improves, and our operations contribute to a sustainable environment.

We envisage the future with enthusiasm, knowing that we are headed in the right direction. We are moving forward, stronger than ever, with the clear objective of becoming the leading independent operator and the Company of choice for the Colombians.

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2020, A YEAR WITHOUT EXCUSES

Parex demonstrated its resilience and continued to generate value for its stakeholders

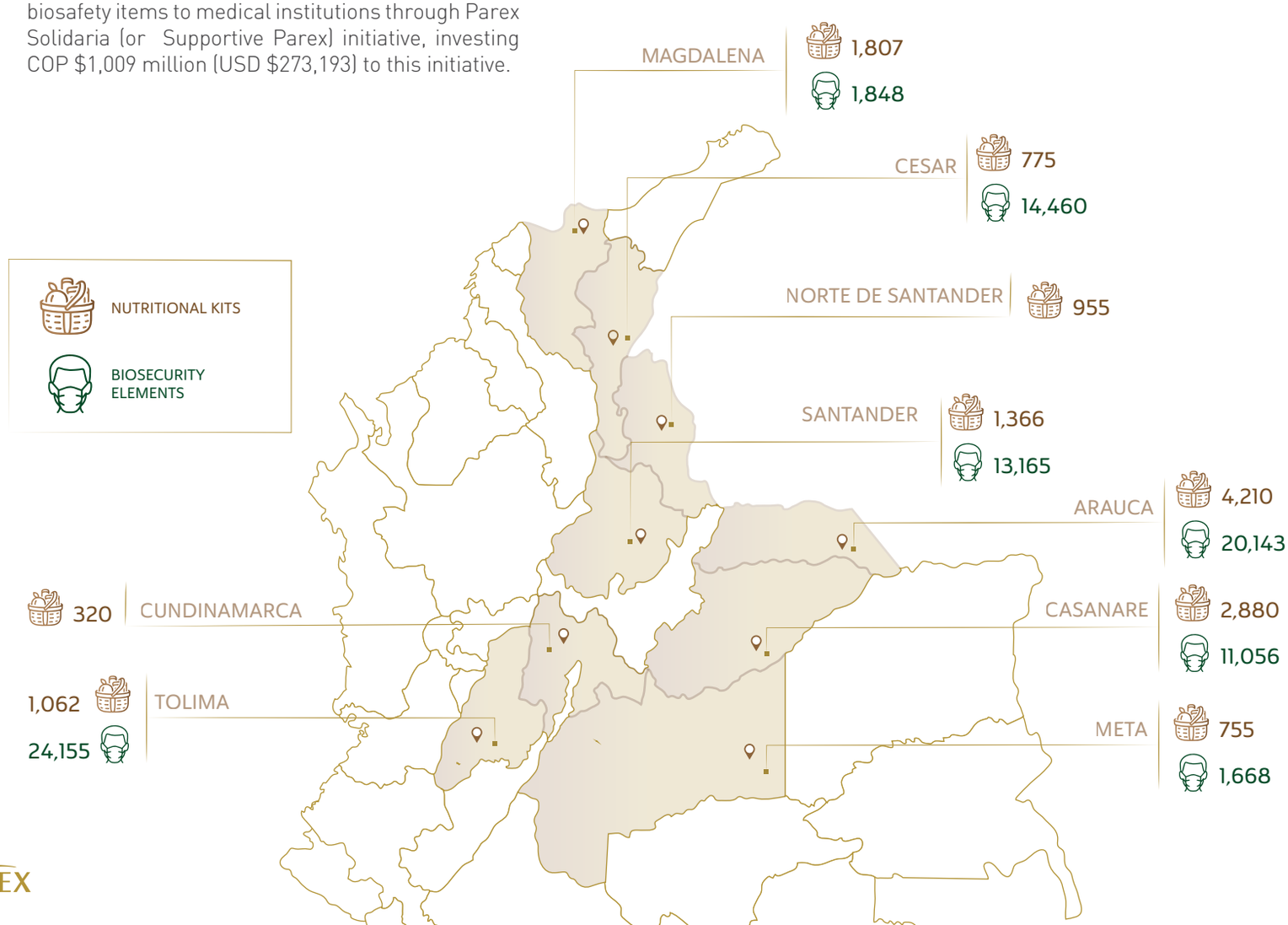
The year 2020 presented a stress test to humanity's ability to adapt to critical and changing circumstances. Parex as a company was no exception. Due to the volatility of the past year, Parex' executive team decided to call 2020, "A Year Without Excuses." That is, a year in which all members in our workforce gave their best, demonstrating a clear culture of solidarity, empathy, commitment, and leadership.

Faced with the threat of the COVID-19 Pandemic, the Company took decisive actions to not only ensure the well-being of its workers but also fulfill its exploration and hydrocarbon production obligations to respond to the energy demand of Colombians and generate value for all its stakeholders all while increasing the collective awareness for the environment.

PAREX SOLIDARIA

Parex reaffirmed its ongoing commitment to the communities by joining forces with health agencies as well as local and regional authorities to understand and address the communities' most pressing needs.

The Company donated 14,130 food baskets to families near its operations and supplied 86,495 biosafety items to medical institutions through Parex Solidaria (or Supportive Parex) initiative, investing COP $1,009 million (USD $273,193) to this initiative.



SOCIALLY AWARE EMPLOYEES

Parex employees donated 300 food baskets to students of the National Apprenticeship Service (Servicio Nacional de Aprendizaje) or (SENA) and their families. Some members of the SENA program are completing their internships at the Company in compliance with Colombian law[2].

During 2020, Parex maintained **all contracts for 100% of its employees.**

KEEPING EMPLOYEES SAFE AND EMPLOYED DURING THE PANDEMIC

The greatest challenge and concern for Parex in 2020 was keeping employees and their families safe while maintaining their employment throughout the Pandemic. The Company acted on several fronts, including cutting Executive salaries by 10% to maintain the contracts, salaries and benefits for all non-executive staff, providing peace of mind for families at a time when unemployment rose sharply; implemented remote work by providing all the necessary tools and equipment to its employees to be able to work from home; and made a great stride forward in terms of digital transformation.

In addition to the above actions, Parex developed an ambitious biosafety plan that involved workplace adjustments to the Bogota and field offices to ensure the safe return of everyone to work.

CARMENTEA FIELD
TAURAMENA/ CASANARE - COLOMBIA

[2] https://www.sena.edu.co/es-co/sena/Paginas/misionVision.aspx

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ABOUT PAREX

GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-5, GRI 102-7, GRI 102-8, GRI 102-10. GRI 102-48

Parex Resources Inc. ("Parex", "the Company" or "the Organization") is a publicly traded company established in 2009, focused on the exploration, development and production of oil and gas using conventional techniques in a sustainable and profitable manner.

The Company is headquartered in Calgary, Alberta, Canada, and has operating offices in Bogota, Colombia. Currently Parex holds interest in 24 blocks which total 2.3 million gross acres located in the departments of Casanare, Arauca, and in the Upper, Middle and Lower Magdalena Valley Basin.

Parex is traded on the Toronto Stock Exchange (TSX) under the symbol PXT.

Since inception, Parex has set out to build a strong and healthy company that generates value for its shareholders, respects the needs of other key stakeholders, and commits itself to the protection of the environment, the health and safety of its employees, and the benefit of the communities. The Organization understands that it is a guest of the host countries, and complies with national laws and regulations, respects local customs, and applies the highest standards.

Parex has shown significant growth and stability, which is reflected not only the Company's entry into new operating areas but also in its production, reaching in 2020 an average of 46,518 barrels of oil equivalent per day.

During 2020, Parex had no significant changes in size, structure, or in its supply chain. Despite the instability in crude oil prices and the effects of the COVID-19 Pandemic in the hydrocarbon sector, the Company managed to not only maintain its workforce but strengthened by hiring 9 more people to reach a total of 348 direct employees.

PAREX CORE VALUES

GRI 102-16

Enterprising

Biased for action

Data-driven decision making with room for intellect and intuition

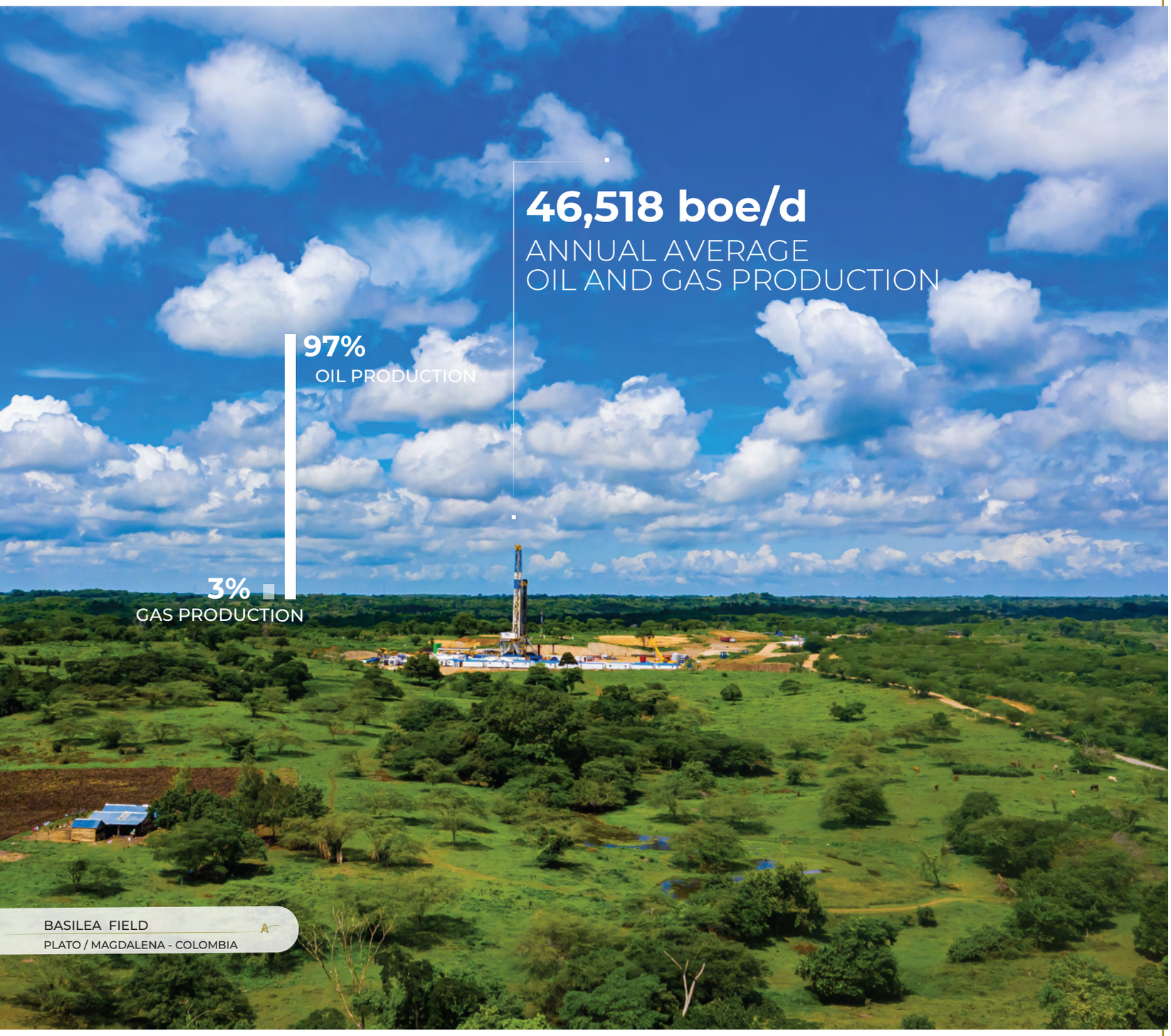
Effective teamwork

Collaborative culture of respect, trust, professional ethics, and social responsibility

Solid balance sheet and steady increase in reserves and production on a per share basis

Positive social, environmental, and economic outcomes in the communities

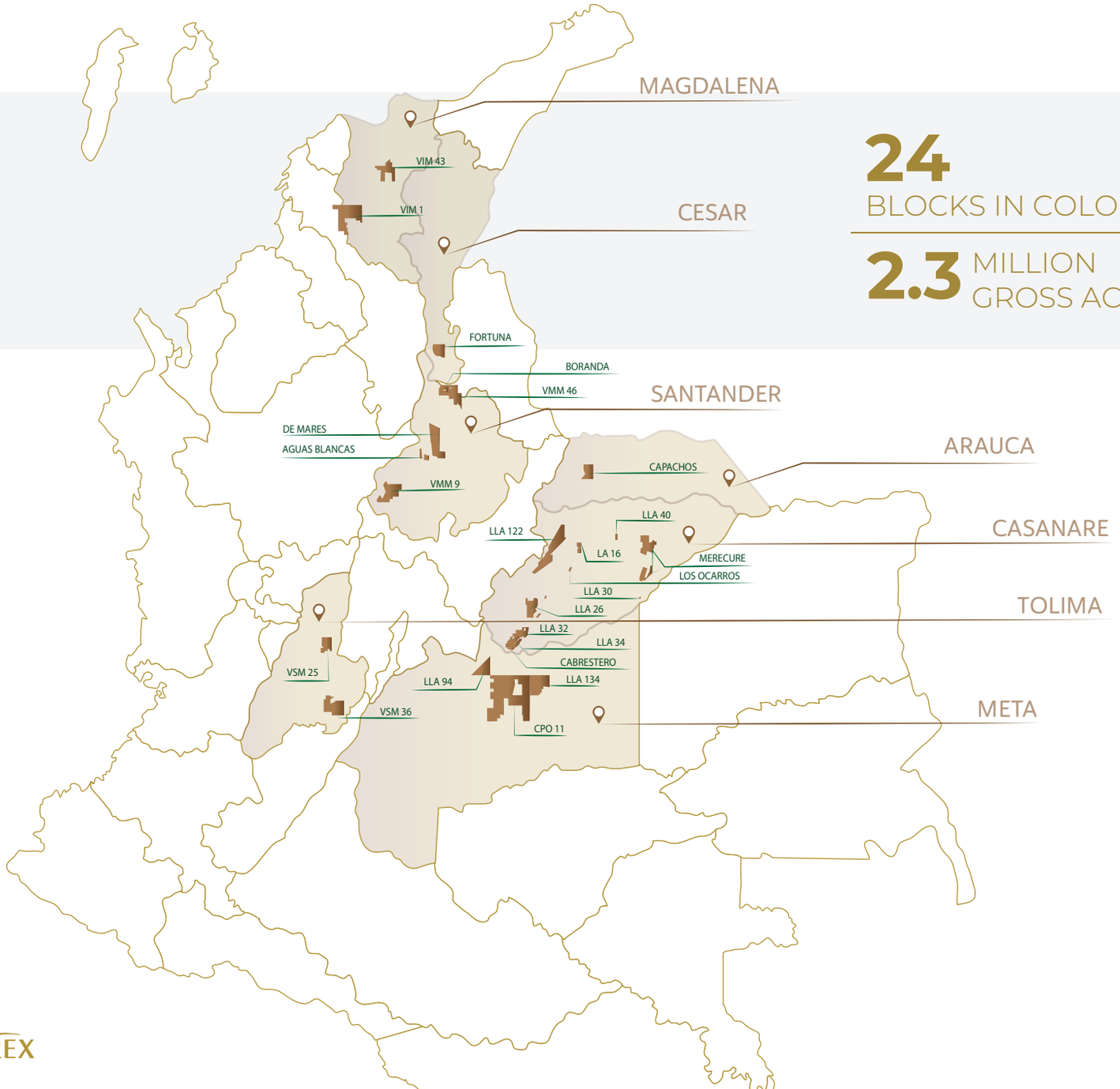
Firm commitment to Occupational Health and Safety and the Environment


46,518 boe/d
ANNUAL AVERAGE
OIL AND GAS PRODUCTION
97%
OIL PRODUCTION
3%
GAS PRODUCTION
BASILEA FIELD
PLATO / MAGDALENA - COLOMBIA

OUR OPERATIONS IN 2020

GRI 102-4
SASB EM-EP-000.C

USD $587 million
(COP$2,168,002.3 million)
Revenues from oil and gas sales



24
BLOCKS IN COLOMBIA

2.3 MILLION
GROSS ACRES

USD $141 million
(COP $520,763.8 million)
Capital expenditures

30
Wells Drilled

348
Employees

4,925
Average
contractor workers

7,800 Mcf/d
Annual average
conventional
natural gas
production

194.49 MMboe
2P Reserves

RUMBA FIELD
AGUAZUL / CASANARE - COLOMBIA

CERTIFIED ACTIVITIES

GRI 102-12

Parex holds ISO standards 14001:2015 and OHSAS 18001:2007 international certifications for its activities, thus guaranteeing the effective management of risks associated with the environment and health & safety at work across all its oil exploration, production, marketing, and transportation activities.

AFFILIATIONS AND MEMBERSHIPS

GRI 102-12, GRI 102-13

The Company actively participates in the following industry and business association initiatives to promote industry competitiveness and sustainability best practices:

Parex is a member of the Working Group of Human Rights and Hydrocarbons, comprised of national authorities, business associations, oil and gas companies, and oilfield service companies

MEMBERSHIP TO INTERNATIONAL ORGANIZATIONS

GRI 102-12

UN Global Compact

One of Parex' milestones in 2020 was becoming a signatory to the United Nations Global Compact (UNGC). This decision highlights the Company's commitment to further align its strategies and operations with the ten UNGC principles grouped in four areas: Human Rights, Labour, Environment and Anti-Corruption. Through the implementation of these principles, Parex also demonstrates its commitment to contribute to the fulfilment of Sustainable Development Goals (SDGs).

EITI

Parex is also a member of the Extractive Industries Transparency Initiative (EITI), a global standard to promote the open and accountable management of extractive resources.

PAREX - TELEPORT
BOGOTÁ - COLOMBIA

ACIPET 2020 INNOVATIVE ENTERPRISE AND BUSINESS EXCELLENCE AWARD

In 2020 Parex received the Innovation Award from the Colombian Association of Petroleum Engineers (ACIPET) in the categories "Innovation in Socio-environmental Management and Renewable Energies" and "Innovation and Business Excellence Applied to the Hydrocarbon Sector" ("Innovación en gestión socio ambiental y energías renovables e Innovación y Excelencia empresarial aplicada al sector de hidrocarburos") for its work inutilization of geothermal resources for the generation of non-conventional renewable energies within the framework of Oil Field activities; first application in Colombia of DDV 9 5/8 10K Valve in Directional Well, Comprehensive Transportation Project, Comprehensive Industrial Water Reuse Project and the Drying of Drill Cuttings.

Innovation to Combat Climate Change

In an unprecedented event in Colombia, Parex implemented electric power generation equipment from warm production surface fluids which will allow the transition to a more sustainable, efficient, and resilient energy system, and therefore, reduce greenhouse gas emissions and contribute to the fight against climate change.

This initiative, which contributes to the revolution of non-conventional renewable energies, highlights the importance of sustainable development of the mining and energy sector in a socially and environmentally responsible manner.

With the support of the National University of Colombia (Universidad Nacional de Colombia), the Company began the process of studying and executing cogeneration pilot programs of non-conventional renewable energy in the Rumba and Maracas fields, located in Colombia's Eastern Plains. This project is focused on reducing the consumption of fuels (diesel, crude oil, and gas) used in the production of electrical energy.

"By promoting innovation initiatives within the team, Parex has managed to structure and develop this pilot program in order to take advantage of warm production surface fluids for the co-production of hydrocarbons and electricity. This project will promote new research and development initiatives that will allow us to advance the climate change strategy that we have as a Company and as a country." Daniel Ferreiro, President & Country Manager of Parex (Colombia).

PAREX' VALUE CHAIN

GRI 102-8, GRI 102-9, GRI 102-10, GRI 204-1, GRI 204 OWN, GRI 413 OWN

PAREX`VALUE CHAIN

PROJECT EVALUATION

- Identification of areas with hydrocarbon potential.
- Technical and financial feasibility.

EXPLORATION

- Seismic
- Exploratory drilling.

EVALUATION AND DEVELOPMENT

- Analysis of the commerciality of the finding.
- Installation of infrastructure.
- Development drilling.

PRODUCTION

- Primary and secondary recovery.
- Extraction of hydrocarbons and their derivatives.
- Maintenance of oil wells productivity.
- Improvement of the recovery rate.

TRANSPORT

- Transfer of crude oil by land transportation and pipelines to storage places, pumping stations and shipping points.
- Land transportation of liquefied petroleum gas (lpg).
- Land transportation and natural gas pipeline for self-consumption.

COMMERCIALIZATION

- Direct export of vasconia quality crude, through the port of coveñas.
- Sale of crude oil in colombia for export and / or refining.
- Sale of gas for commercial uses.

To accomplish its activities across its entire value chain, Parex maintains contracts with international goods and services companies and with national and regional subsidiaries where it operates. The extensive participation of national and regional companies in Parex' supply chain allows the Company to positively impact the economy of the country and its territories.

While contracting a large number of companies and therefore having a significant number of workers from various organizations making the projects viable, this constitutes a challenge for Parex as these companies must be aligned with its principles and values while also being highly committed to the adoption of industry standards and best practices. This is ensured through contractual clauses, audits and strengthening initiatives as required by the companies in the area of influence of their operations. In addition, the Abastece platform is used to manage the contracting process, ensuring two-way communication and transparency.

As a result of the Company's decision to reduce exploration and production activities in response to the COVID-19 pandemic and the volatility of crude oil prices, the average monthly number of contractor workers decreased by 19.43% in 2020 compared to 2019.

It is worth mentioning that local purchases registered a 10% increase, namely, from COP $140,348 millions (USD $38 million) in 2019 to **COP $ 155,121 million (USD $42 million) in 2020**.

530
TOTAL CONTRACTING COMPANIES IN THE SUPPLY CHAIN IN 2020

347
NATIONAL COMPANIES

144
REGIONAL COMPANIES

39
INTERNATIONAL COMPANIES OR WITH SUBSIDIARIES IN THE COUNTRY OF OPERATIONS

Local procurement of goods and services allows Parex to promote the development of the territories.

Total purchase of goods and services in 2020 for COP $837,174 million (USD $226.67 million)

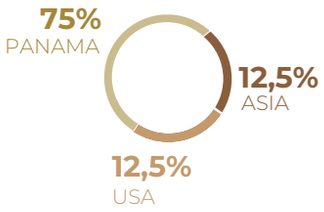
Increase in the purchase of local goods and services by 10.23%

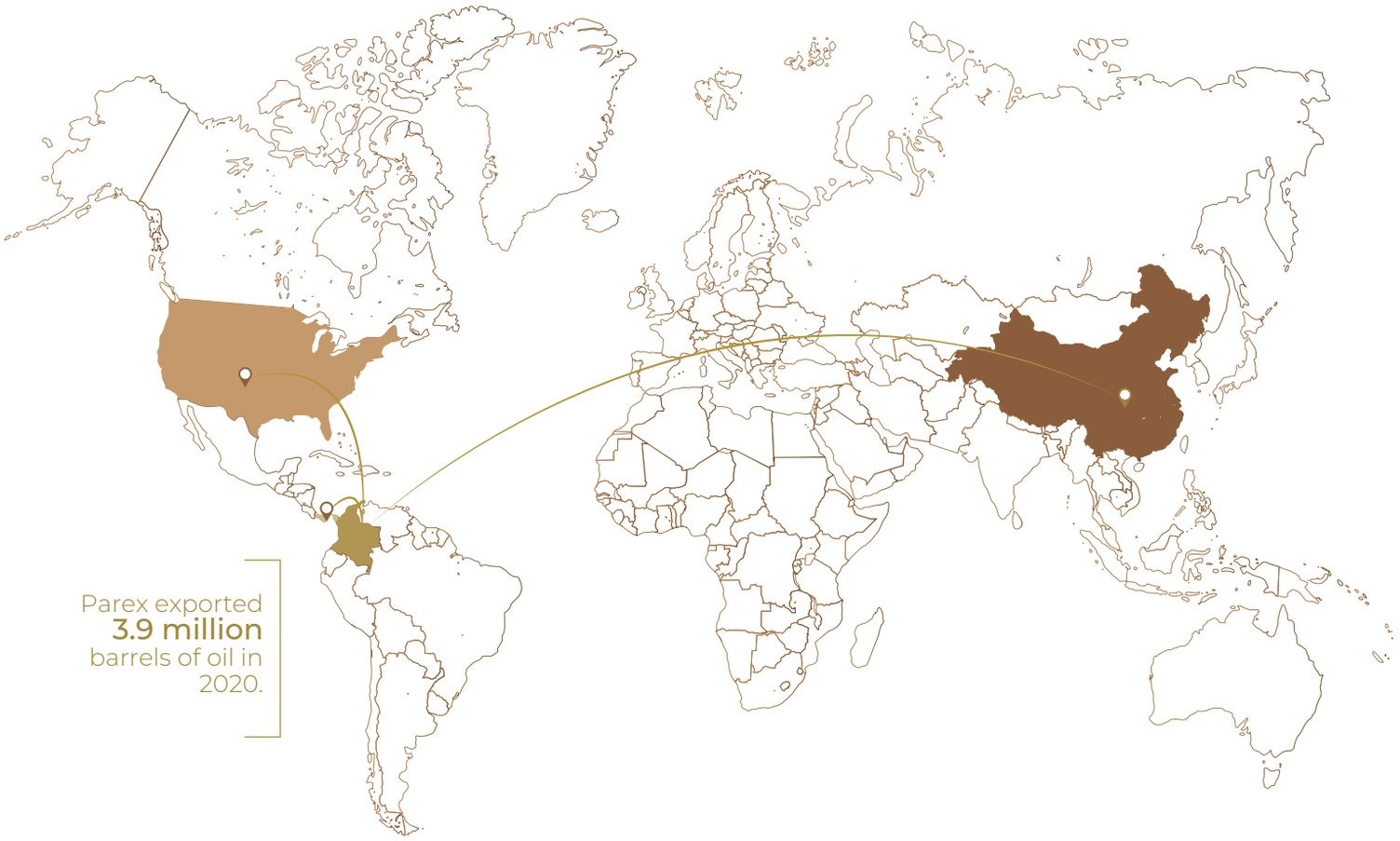
[3] Retrieved from data reported monthly on the platform created by Parex for such purpose, such information is reported by contractors and verified and approved by the manager of each contract.

MARKETS SERVED

GRI 102-2, GRI 106-6

Parex sells oil, gas, liquefied petroleum gas (LPG) and natural gasoline to its customers. In 2020, 23% of production was exported directly by the Company and 77% was sold in Colombia for export and/or refining purposes and around 7,400,000 barrels of oil were sold for refining in the country.





Parex exported **3.9 million** barrels of oil in 2020.

PLATO - ZAMBRANO BRIDGE
MAGDALENA - COLOMBIA

CORPORATE GOVERNANCE WITH AN ESG FOCUS

GRI 102-11, GRI 102-12, GRI 102-15, GRI 102-31
SASB EM-EP-420a.4

A priority for Parex is the incorporation of Environmental, Social and Governance (ESG) best practices in its activities and the transparent disclosure of performance in these areas. This performance is reported through its annual response to the CDP (formerly known as Carbon Disclosure Project) Climate Change Questionnaire (since 2018) as well as to the CDP Water Security Questionnaire (since 2019).

In 2020, Parex obtained a (B) score in the Climate Change Response (CDP), surpassing the average grade (B-) of the Exploration & Production of Hydrocarbons (E&P) companies.

In its 2019 Sustainability Report, Parex was among the first E&P companies in Colombia to disclose in compliance with the Sustainability Accounting Standards Board (SASB) industry-specific standards, in order to respond to the concerns and issues relevant to investors and shareholders. In addition, since 2014 the Company has been reporting in conformity with the Global Reporting Initiative (GRI) standards.

During 2020, the Company established an ESG governance structure with defined roles and responsibilities for the Board and Management, specifically climate related risks and opportunities.

Parex' commitment to achieve ESG excellence is also reflected in its 2021 annual short-term incentive plan, which includes ESG targets on key topics such as Greenhouse Gas (GHG) emissions intensity reduction, diversity and inclusion, as well as health and safety targets that now account for 30% of the weighing in its annual incentive plan.

PAREX HAS BEEN REPORTING IN ACCORDANCE WITH SASB SINCE 2019.

GLOBAL COMPACT AND SUSTAINABLE DEVELOPMENT GOALS

In 2020, the Company became a participant of the United Nations Global Compact and made the commitment to align its corporate management and business practices with the 10 UNGC principles in the areas of Human Rights, Labour, Environment and Anti-corruption. This step is an attestation of Parex' determination to continue building a robust sustainability strategy along with its ability to evaluate, measure and communicate it, especially in terms of taking action in support of broader UN goals such as the UN Sustainable Development Goals (SDGs).

During 2020, at the initiative of its directors, Parex pursued a process to identify how its social, environmental and institutional-strengthening investment projects contributed to the SDGs. During the process, several items were identified: The specific indicators for each project, whether the investment made by the Company is voluntary or due to legal obligations and the specific SDGs to which it is contributing, among other contributions.

In 2021, the Company will continue these efforts in the interest of measuring its contribution to the SDGs and reporting on SDGs management to stakeholders.

More than **120,414**
PEOPLE BENEFITTED
IN PROGRAMS THAT IMPACT SUSTAINABLE DEVELOPMENT GOALS

US $11,165,046
TOTAL INVESTMENT IN PROGRAMS THAT IMPACT SUSTAINABLE DEVELOPMENT GOALS

69%
US $ 7,741,286
TOTAL RESOURCES COMMITTED

US $ 3,423,760
TOTAL VOLUNTARY RESOURCES
31%

56,500+
PEOPLE BENEFITTED WITH HUMANITARIAN AID THROUGH "PAREX SOLIDARIA" PROGRAM

159
HECTARES PLANTED

42
HOME IMPROVEMENT PROJECTS

53
INCLUSIVE AND COMMUNITY INFRASTRUCTURE PROJECTS IN TERRITORY

35,440+
TREES PLANTED
IN AFFORESTATION AND REFORESTATION PROGRAMS AT A TERRITORIAL LEVEL

500
TURTLES RELEASED
AN ENDANGERED SPECIES ACCORDING TO THE IUCN RED LIST

844
HECTARES
IN AREAS FOR BIODIVERSITY PRESERVATION

40
ICU BEDS
SIMON BOLIVAR HOSPITAL

443+
PEOPLE BENEFITTED
WITH ACCESS TO ESSENTIAL QUALITY HEALTH SERVICES

12,706 PEOPLE BENEFITTED
WITH PROJECTS OF WATER ACCESS AND QUALITY

OTHER PROJECTS

8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO

32 PRODUCTIVE AND AGRICULTURAL PROJECTS STRENGTHENING TERRITORIES

4 EDUCACIÓN DE CALIDAD

23,939+ STUDENTS BENEFITTED
WITH EDUCATION ELEMENTS AND INFRASTRUCTURE PROYECTS WITH THE PROGRAM WORKS FOR TAXES

7 ENERGÍA ASEQUIBLE Y NO CONTAMINANTE

ESTIMATED REDUCTION
580
TON CO2/Y WITH ENERGY INNOVATION AND TRANSFORMATION PROJECT
(2021 PROJECTION)

ABOUT THIS REPORT

GRI 101, GRI 102-32, GRI 102-46 GRI 102-45, GRI 102-48, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54

In 2014 Parex published its first annual sustainability report and in 2020 published the latest one with information corresponding to 2019.

In this seventh sustainability report, Parex reports on its 2020 performance taking into consideration ESG factors, its commitment to the implementation of the Ten UNGC Principles and its contribution to the SDGs. The Board of Directors plays a significant role in the Company's strategic direction, by providing strategic criteria for the Company's sustainability reports, and monitoring organizational performance to ensure that it meets corporate expectations with respect to international standards. In 2020, the sustainability reporting process was developed under the leadership and active participation of the senior management from the Calgary and Bogota offices.

This report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards and in accordance with the Standards of the Sustainability Accounting Standards Board (SASB).

The information published here relates to Parex and its subsidiaries Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited. It considers the results of the blocks operated by the Company in financial, labour, social investment, Environmental, Health and Safety matters except for Greenhouse Gas (GHG) emissions metric related to SASB's indicators pertaining to operated and non-operated blocks.

All figures are stated in U.S. dollars (USD) and in Colombian pesos (COP) except for economic information expressed exclusively in USD. We used an average market exchange rate of COP $3,693.36.

In some cases where historical information has been restated, an explanation has been provided accordingly.

The firm Signum Consulting S.A.S. assisted Parex in the process of research and preparation of this report.

Any questions regarding this report can be sent to Investor.relations@parexresources.com

This document is available on the corporate website at www.parexresources.com

RUMBA FIELD
AGUAZUL / CASANARE - COLOMBIA

PAREX OFFICES - TELEPORT
BOGOTÁ - COLOMBIA

EXTERNAL VERIFICATION

By decision of the Board of Directors and the Senior Management of Parex, this 2020 Sustainability Report was audited by the firm PricewaterhouseCoopers, AG, as were the three reports that preceded it. The Company's priority is to ensure the reliability of the information to its stakeholders. See assurance letter on pages 95 to 122.

GRI 102-56

PAREX' MATERIAL TOPICS

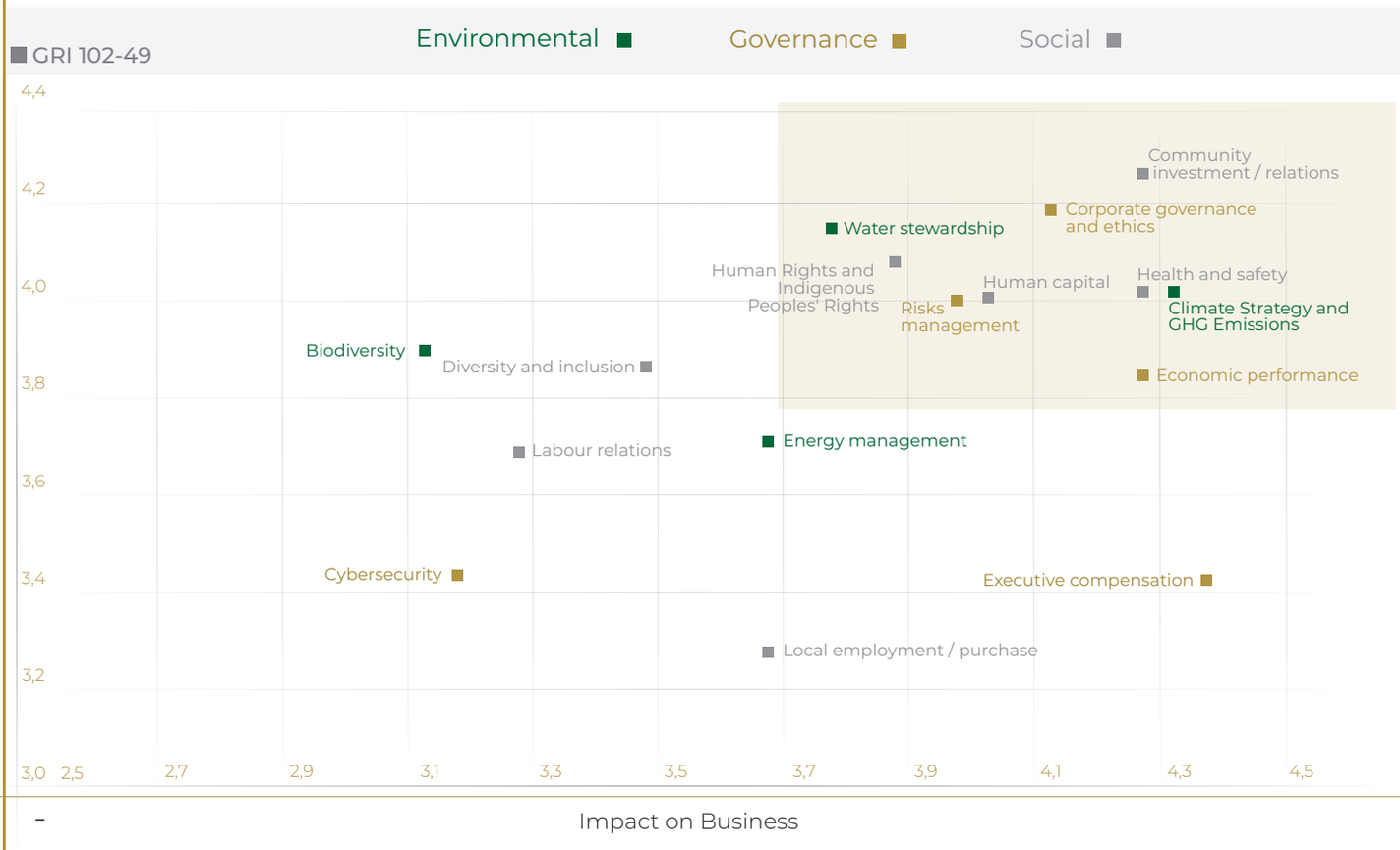
GRI 102-43, GRI 102-44, GRI 102-46, GRI 102-47, GRI 102-21
SASB EM-EP-201b.1

Parex' materiality assessment is crucial to establishing a robust sustainability strategy that integrates the concerns and expectations of internal and external stakeholders.

For the 2020 materiality assessment, a list of universal ESG matters associated with the hydrocarbon industry was created. A virtual survey was then designed where material matters were prioritized on a scale of 1 to 5, where 1 is less important and 5 is very important, considering (i) their importance to stakeholders and (ii) their impact on the business.

To create the survey and prioritize the material matters, Parex conducted two consultations consisting of 41 representatives of the different stakeholders. The first internal consultation was held in Calgary (Canada) with the participation of 11 people, including managers and leaders from the corporate headquarters and the second in Bogota (Colombia), with the participation of the President of Parex (Colombia) and 19 managers from different areas of the Company.

PAREX 2020 MATERIALITY



The results of the materiality analysis are stated in the above matrix. The issues highlighted in the upper right-hand corner are defined as material based on the results from Parex' stakeholder consultation. However, in this sustainability report Parex will report on other ESG issues that are considered strategic and need to be reported based on the standards and indicators adopted.

It is to be noted that as Human Capital and Risk Management became more important for sustainability management in 2020; significant changes can be observed with respect to the 2019 Materiality Assessment. Conversely, local procurement, job creation and environmental regulatory compliance were not prioritized in this assessment.

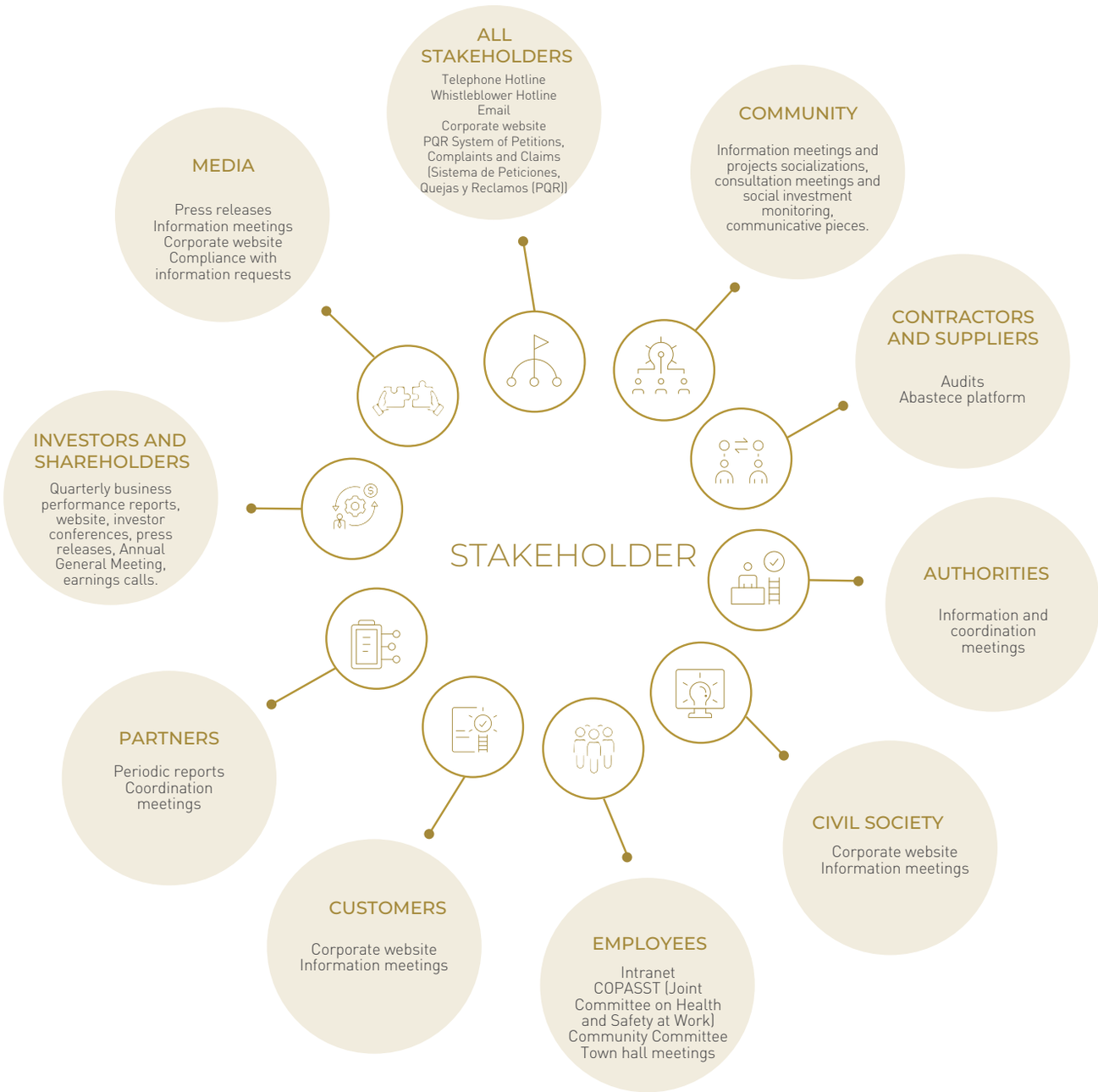
OUR STAKEHOLDERS

GRI 102-40, GRI 102-42, GRI 102-43
SASB EM-EP-201b.1

Parex stakeholders have been identified based on criteria such as proximity, responsibility, tension, dependence, influence, and representation.

Stakeholders are reviewed annually according to the dynamics of the business, with the purpose of managing their interests, expectations and concerns associated with Parex' activities. The Company has created communication channels and dialogue spaces to guarantee their effective participation and build relationships of trust with its stakeholders.

Following is a summary of each stakeholder group.



LA BELLEZA FIELD
PLATO / MAGDALENA - COLOMBIA

GOVERNANCE

GRI 102-183

Parex continuously strives to build a robust corporate governance that successfully harmonizes the interests and expectations of its stakeholders and its business objectives which are guided by its principles and values. Its corporate policies, practices and procedures allow the Company to operate with integrity, exercise internal control, measure and communicate its performance, and build a solid long-lasting trust with its stakeholders.

KEY GOVERNANCE METRICS

30%
gender diversity target by 2023[4]

Board gender diversity policy

Annual Board assessment

100%
Board meeting attendance

Clawback policy

Majority Voting policy

Non-binding advisory vote on executive compensation

KEY INDICATORS

89%
OF BOARD MEMBERS ARE INDEPENDENT.

THE CHAIRMAN OF THE BOARD IS INDEPENDENT.

[4]Access Parex' Board Diversity & Inclusion Policy

CORPORATE GOVERNANCE, ETHICS AND TRANSPARENCY

SASB EM-EP-510a.2 – SASB EM-EP-530a.1

WHY IS THIS A MATERIAL TOPIC?

GRI 103-1

Maintaining a solid corporate governance that ensures ethical behavior, transparency, and responsiveness to stakeholders across all aspects of the Organization's activities is paramount for corporate reputation and for the viability and sustainability of Parex.

Internal scope: Parex Senior Management - Corporate Affairs and Legal

External scope: All stakeholders

MANAGEMENT APPROACH

GRI 103-2

A foundation of solid corporate governance guides Parex' corporate culture. All business activities and operations are to be conducted in an ethical and transparent manner as outlined in the Company's Code of Conduct and the applicable laws and government regulations where Parex operates and with due consideration for local customs.

STRATEGY AND RESULTS

GRI 103-3

The Board of Directors, Parex' highest governing body, in conjunction with Management, is responsible for the Company's day-to-day business activities and have established a governance structure, tools and procedures aimed at meeting business objectives with a clear focus on risk management and ESG impacts.

LA BELLEZA FIELD
PLATO / MAGDALENA - COLOMBIA

PAREX BOARD OF DIRECTORS

GRI 102-18, GRI 102-19, GRI 102-22, GRI 102-23, GRI 102-24

Members of the Board of Directors are elected for a one-year term during the Company's Annual General Meeting, which is normally held in May. As at December 31, 2020, Parex' Board was comprised of nine (9) directors; of which 89% were independent members and 22% of the members were women. The board is chaired by an independent non-executive director.[5]

The Board oversees Parex' overall strategic direction and management and delegates some of its responsibilities to four (4) committees, all including independent directors:

- CORPORATE GOVERNANCE AND NOMINATING COMMITTEE
- FINANCE AND AUDIT COMMITTEE
- HUMAN RESOURCES AND COMPENSATION COMMITTEE
- HEALTH, SAFETY, & ENVIRONMENT (HS&E) AND RESERVES COMMITTEE

BOARD COMPOSITTION

9 DIRECTORS

8 INDEPENDIENTS

BOARD OVERSIGHT OF ESG MATTERS

GRI 102-19, GRI 102-20, GRI 102-26, GRI 102-29, GRI 102-31

The Board provides oversight of ESG matters, with a focus on the impact of climate-related issues on strategy and ESG risk management, the communication of ESG strategy, policy, progress, and performance.

In 2020, Parex established a new ESG governance structure that requires the collaboration of the Board, its four Committees, the ESG Steering Committee and the Sustainability Work Group with specific mandates and roles to play in the management of ESG risks and opportunities and advancing corporate sustainability performance.

Following is a summary of each group's role and responsibility[6].

BOARD OF DIRECTORS

Oversight of ESG issues
Impact of climate-related issues on strategy and ESG risk management
Communication of ESG strategy, policies, progress, and performance

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE	FINANCE AND AUDIT COMMITTEE	HUMAN RESOURCES AND COMPENSATION COMMITTEE	HEALTH, SAFETY AND ENVIRONMENT (HS&E) AND RESERVES COMMITTEE
OVERSEES	OVERSEES	OVERSEES	OVERSEES
Governance framework, Board gender diversity, stakeholder engagement, and social investment	Risk management including climate-related energy transition risks and physical risks	Compensation, human rights, employees: culture, relations, development, and diversity	HS&E protection, investments in reducing energy consumption and Greenhouse Gases (GHG) emissions

PRESIDENT AND CEO

Chair of the ESG Steering Committee

ESG STEERING COMMITTEE

Chaired by the President and CEO of Parex Resources Inc.
Focuses on the integration and alignment of the ESG strategy in the Company.
Responsible for the communication and management of ESG activities throughout the Organization
Responsible for external communications regarding regulatory agencies and consultants: HSE Impact and sustainability reporting

SUSTAINABILITY WORKING GROUP (SWG)

Chaired by the President & Country Manager of Parex Resources Colombia, the SWG is a cross-functional group that promotes sustainability reporting and initiatives

[5] See pages 9-19 of the **2020 Information Circular** for members serving on the Board in 2020

[6] View each group's mandate at https://parexresources.com/investors/governance/

MANAGEMENT'S RESPONSIBILITY OVER ESG MATTERS

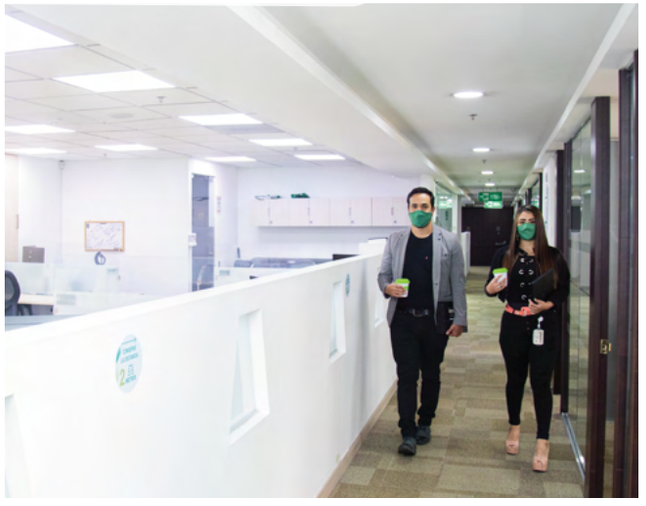
GRI 102-20

Chaired by the President & CEO of Parex Resources Inc., the newly formed ESG Steering Committee is comprised of officers and employees of the Company and is called to play an instrumental role in assisting and supporting the Board with the identification, management, measurement, and assessment of ESG risks and opportunities.

The Committee supports Management with undertaking materiality assessments and managing ESG related risks, including climate-related risks. The ESG Committee is required to meet two weeks prior to and after the Board's quarterly meetings; on a quarterly basis, it facilitates Management's updates to the Board on the Company's sustainability performance and emerging ESG trends.

In fulfilling its ESG responsibilities, the Committee is supported by the Sustainability Work Group (SWG), which is comprised of Canadian and Colombian employees from various departments and is chaired by the Country Manager & President of Parex Resources Colombia Ltd. Sucursal. This group meets monthly and plays a critical role in integrating ESG into activities and advancing sustainability initiatives and disclosure such as the S&P corporate sustainability assessment, the CDP responses, and the annual sustainability report.

PAREX - TELEPORT
BOGOTÁ - COLOMBIA



ETHICS AND TRANSPARENCY

GRI 207-4, GRI 415-1

Parex fulfils its commitments to stakeholders while upholding ethical conduct and endorsing the principles of transparency throughout its operations. This is key to cultivate and maintain its reputation as a good corporate citizen and build relations based on trust and respect with stakeholders.

The principals of transparency are deeply embedded in Parex' way of doing business. Annually since 2016, Parex discloses payments made to governments as dictated by the Extractive Sector Transparency Measures Act (ESTMA). [7]

PAREX DOES NOT MAKE CONTRIBUTIONS TO POLITICAL PARTIES AND/OR REPRESENTATIVES.

In 2020
COP $254,841 million
(USD $ 69 million)
in royalty payments

COP $295,469 million
(USD $80 million)
in taxes

[7] Access the 2020 ESTMA Report

CODE OF CONDUCT AND ETHICS

GRI 102-16, GRI 102-25
SASB EM-EP-510a.2

Parex expects professional and ethical conduct from anyone acting on its behalf or engaged in business with the Company. The Code of Conduct and Ethics ("the Code") sets specific principles of conduct and ethics which are binding for all directors, officers, employees, and consultants in all business activities to maintain a culture of honesty, integrity and accountability within Parex. The Code is reviewed every two years by the Board and signed off annually by employees and those who conduct Parex' business.

Parex establishes the values of the Code and models them when engaging with partners, suppliers, and contractors. In return, it expects them to act in accordance with the Code's ethical principles when dealing with the Company.

Violations reported through any of the channels prescribed within the Code, including the Whistleblower Hotline, are investigated and, if proven accurate, result in disciplinary action, including termination of employment.

The Code addresses, among others, the following issues:

- CONFLICTS OF INTEREST
- ENTERTAINMENT, GIFTS, AND FAVORS
- BRIBERY AND CORRUPTION
- FAIR DEALING
- RELATIONSHIPS WITH PARTNERS, CONTRACTORS, AND SUPPLIERS
- HEALTH, SAFETY, AND ENVIRONMENTAL COMPLIANCE
- HUMAN RIGHTS, DISCRIMINATION, AND HARASSMENT

RUMBA FIELD
AGUAZUL / CASANARE - COLOMBIA

[8] AView Parex' Code of Conduct

WHISTLEBLOWER PROGRAM

GRI 102-17, GRI 102-33, GRI 206-1

The corporate Whistleblower Program[9] consists of a policy statement, procedures, and guidelines to ensure that reports, complaints, and concerns about the Company's policies and practices are promptly and effectively addressed.

The program provides a mechanism to report anonymously, if preferred, concerns about possible misconduct within Parex and/or along its value chain without fear of reprisal.

Individuals wishing to report perceived violations may do so via and Ethics Point from an independent third-party at www.ethicpoints.com or using other channels outlined in theprogram.

There was one reported case of misconduct through the Whistleblower Program in 2020. This case was deemed an unfounded allegation and the matter was closed by December 31, 2020.

ZERO (0) CASES OF VIOLATION OF THE CODE OF CONDUCT AND ETHICS

ZERO (0) CASES RELATED TO UNFAIR COMPETITION AND ANTI-COMPETITIVE PRACTICES.

ML/TF

GRI 102-17

During 2020, Parex continued to work on the prevention of risks related to money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction (ML/TF), using as a reference its System for Self-Monitoring and Risk Management of ML/TF Manual and through the Compliance consultation tool. It also continued to provide virtual employee training; this time adapted to the new learning environment brought about by the COVID-19 pandemic.

The Parex Risk Committee is the entity in charge of monitoring the System for Self-Monitoring and ML/TF Risk Management in Colombia and is comprised of the President of the Company, the Legal Representative, the Compliance Officer, the Legal Manager, and the Financial Manager. The Committee meets at least once every six months or in extraordinary meetings.

During 2020, 261 employees participated in ML/TF training, 85% of the total number of employees. In addition, as part of Parex' due diligence ML/TF assessment to evaluate suppliers, customers, employees, contractors, among others, the Company conducted 11,985 consultations in ML/TF lists, 15% more compared to 2019. Furthermore, communication campaigns were conducted to provide helpful recommendations for the prevention of this type of risk.

CABRESTERO FIELD
VILLANUEVA / CASANARE - COLOMBIA

[9] Access the Whistleblower Policy

ANTI-CORRUPTION & ANTI-BRIBERY POLICY

GRI 102-17, GRI 205-1, GRI 205-2, GRI 205-3
SASB EM-EP-510a.1, SASB EM-EP-510a.2

Parex is subject to the anti-bribery laws in the jurisdictions where the Company operates. To safeguard the organization from potential violations of these laws, Parex' Anti-corruption & Anti-bribery Policy prohibits directors, officers, employees, consultants, and anyone acting on its behalf from engaging in or tolerating any form of bribery. Within the Policy, the Company clearly outlines the practices that are prohibited, such as making political donations or facilitating payments on behalf of Parex.

To prevent the materialization of corruption or bribery risks that could be detrimental to the Company's reputation, a thorough background check is conducted annually on all potential business partners and contractors. In addition, to ensure that employees and representatives understand and comply with the policy, Parex conducts periodic training and requires an annual certification of acknowledgement.

IN 2020

ZERO (0) CONFIRMED
CASES OF CORRUPTION

ZERO (0) PUBLIC LEGAL
CASES RELATED TO CORRUPTION BROUGHT AGAINST PAREX OR ITS EMPLOYEES.

100%
OF EMPLOYEES RECEIVED ANTI-CORRUPTION TRAINING

Colombia was not among the 20 lowest-ranked countries in the 2020 Transparency International CPI score world ranking, therefore; it did not represent a significant risk to Parex' operations.

REGULATORY COMPLIANCE

GRI 307-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 418-1, GRI 419-1
SASB EM-EP-530a.1

Parex consistently and rigorously works to ensure compliance with current regulations and international treaties and agreements signed by the country where it operates. Through its participation in trade organizations, the Company permanently monitors legislative initiatives related to the hydrocarbon industry, identifying risks and opportunities.

Regarding environmental matters, Parex complies with all the regulations and laws within the environmental regulatory framework and conducts all its operations in compliance with the provisions of the Environmental License granted by the highest environmental authority.

The Company's Legal department oversees the Petitions, Complaints and Claims Management system ("PQR"), which is a tool available to all its stakeholders and which helps to identify potential legal risks that must be managed in an effective and timely manner, in a consistent effort to build and maintain a good relationship with stakeholders and strengthen corporate reputation.

Parex also conducts supplier performance monitoring and auditing to implement corrective actions in case of any eventual non-conformity and achieve operational excellence. During 2020, the Company did not identify any risks in its operations or its suppliers regarding freedom of association and the right to collective bargaining, or any significant risks of child, forced or compulsory labour.

In 2020

ZERO (0) SANCTIONS
AND/OR FINES FOR NON-COMPLIANCE WITH SOCIAL AND ECONOMIC LAWS AND REGULATIONS

ZERO (0) PENALTIES
AND/OR FINES FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS.

ZERO (0) SUBSTANTIATED
ZERO (0) SUBSTANTIATED CLAIMS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA.

[10] View the Anti-corruption & Anti-bribery Policy

RISK MANAGEMENT

WHY IS THIS A MATERIAL TOPIC?

GRI 103-1

Timely and effective risk management is fundamental to Parex strategic decision-making and management success. Consideration of ESG risks in business planning and execution positively impacts the Company and ensures its competitiveness and sustainability in the market.

Internal Scope: Parex Senior Management

External Scope: contractors, community, authorities

MANAGEMENT APPROACH

GRI 103-2

Risk Management is applied to all aspects of Parex' activities and allows the Company to make decisions with a higher level of certainty and to ensure business continuity.

PAREX' RISK MANAGEMENT FRAMEWORK CONTAINS THE KEY ATTRIBUTES RECOMMENDED BY THE INTERNATIONAL STANDARDS ORGANIZATION (ISO) IN ITS ISO 31000

CARMENTEA FIELD
TAURAMENA/ CASANARE - COLOMBIA

STRATEGY AND RESULTS

GRI 103-3, GRI 102-15, GRI 102-29, GRI 102-30, GRI 102-31, GRI 201-2
SASB EM-EP-14

Parex' Enterprise Risk Management ("ERM") process, approved by the Board of Directors, outlines the Company's risk management principles and expectations as well as the roles and responsibilities of all staff. The ERM process includes a Risk Management Framework and Risk Assessment Tools, including a Risk Matrix. Parex' Risk Management Framework contains the key attributes recommended by the International Standards Organization (ISO) in its ISO 31000 – Risk Management Guidelines (2017). The results of the Company's ERM program are documented in a semi-annual summary presented to the Board of Directors as well as through regular updates.

It is incumbent upon the Board and Management to oversee the Company's ERM process. The Board delegates to committees the responsibility to review and assess the identification and management of the ERM pertaining to them. Also, it is the Board's responsibility to ensure that Management identifies Parex' principal risks and undertakes steps to implement appropriate systems to monitor and manage these risks with a view to the Company's long-term viability and its assets and that it conducts an annual review of the associated risks.

In 2020, part of the annual review resulted in Parex updating its ERM to account for more specific types of ESG risks. The criteria used to determine the risk rating for ESG risks were 'Likelihood' and 'Impact'. In total, Management identified several ESG risks including the three highest rated ESG risks outlined below.

ESG RISKS

Restricted access to capital and insurance due to strict decarbonization policies of institutional investors, lenders, and insurers

Emerging climate & GHG emission regulations – strict climate-related policies introduced due to increasing support for the transition to a lower-carbon future

New alternatives to and changing demand for petroleum products

To address the above climate-related risks, Parex is developing a long-term climate strategy, which may include, among other initiatives, the recently announced low-carbon transition plan, increasing the proportion of natural gas, a low carbon product, in the Company's product mix, and transparent disclosure of ESG performance.

Parex recognizes that several of the ESG risks may not manifest themselves in the short term. That is why in 2021 the Company is refining the ERM's time horizon to make it possible to account effectively for the long-term nature of such ESG risks, especially those that derives from climate change and with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

SPILL PREVENTION AND RESPONSE

GRI 306-3
SASB EM-EP- 540a.1
SASB EM-EP-540a.2

Parex identifies the potential of crude oil spills and the generation of negative impacts on the environment as operational risks. To prevent these risks from occurring, Parex has implemented processes such as the maintenance and continuous improvement of its equipment and facilities and monitoring actions.

In addition, Parex has a Contingency Plan that allows the Company to react quickly and effectively in order to minimize environmental impacts should the risks materialize; considering not only possible spills of crude oil but also of other supplies and hazardous products.

Similar to 2019, there were no spills either in operations or in crude oil transportation activities for the period concerning this report.

ZERO (0) SIGNIFICANT SPILLS IN 2020 [11]

[11] Parex has defined the spill record as one (1) barrel and when the said incident is not contained.

ECONOMIC PERFORMANCE

WHY IS THIS A MATERIAL TOPIC?

GRI 103-1

As a company, Parex has the responsibility and stives to generate profit and deliver economic prosperity for its different stakeholders. If the organization achieves strong economic performance within the framework of good corporate governance and compliance with laws and regulations, it will be able to fulfill its business commitments, earn the trust of stakeholders and potential investors, ensuring longstanding viability and sustainability.

Internal Scope: Parex Senior Management - Finance Manager

External Scope: Investors, shareholders, partners, suppliers and contractors, authorities, communities.

MANAGEMENT APPROACH

GRI 103-2

Operational success, prudent use of capital resources, cost efficiency, delivery on commitments made to stakeholders, and the ability to adapt to circumstances are key in Parex' corporate strategy to continue generating value for its stakeholders, like it has been doing since its creation in 2009.

BASILEA FIELD
PLATO / MAGDALENA - COLOMBIA

STRATEGY AND RESULTS

GRI 103-3, GRI 102-45, GRI 201-1, GRI 201-4, OG-1, GRI 207-4
SASB EM-EP-000.A, SASB EM-EP-420a.4

In 2020, there was an 11.71% decrease in average oil and gas production compared to 2019; that is, from 52,687 boe/d in 2019 to 46,518 boe/d in 2020. This was due to the voluntary suspension of some operational activities and the reduction in drilling activities due to the rapid shift in crude oil prices and the constraints imposed by the Covid-19 Pandemic.

Parex maintained its leadership in the bidding round of the National Hydrocarbons Agency's Permanent Process for Allocation of Areas (Proceso Permanente de Asignación de Áreas) (PPAA) and acquired two new exploratory blocks (Llanos 34 and VIM 43). It also participated in the drilling of 30 gross wells (19.45 net) in Colombia, 25 of which were successful, achieving a success rate of 93% compared to 97% in 2019.

In 2020, the Company gross 2P (proved plus probable) reserves were 194.49 MMBoe, a 2% reduction compared to 2019.

Despite the circumstances that made 2020 an atypical and challenging year, Parex maintained a strong financial and operating position.[12] In 2021 the Company expects to fund its planned capital expenditures with funds flow from operations and, if deemed appropriate, use a portion of cash reserves.

Parex identifies and manages the economic risks associated with climate change initiatives. The capital expenditure strategy is directly related to the price and demand for hydrocarbons; therefore, all investment scenarios are structured to ensure a profitable and economically viable operation. In 2020, the Company adjusted its investment plan to reflect the economic reality.

IN 2020,
THE COMPANY DID NOT RECEIVE FINANCIAL SUPPORT FROM THE GOVERNMENT

Our financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), established by the International Accounting Standard Boards (IASB). They were audited by PricewaterhouseCoopers AG and include the companies and subsidiaries owned by Parex, namely, Parex Resources Colombia Ltd. Branch and Verano Energy Limited.

DIRECT ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED IN 2020
IN USD MILLIONS

ECONOMIC VALUE RETAINED
CALCULATED AS DIRECT ECONOMIC VALUE GENERATED LESS ECONOMIC VALUE DISTRIBUTED — 220

DIRECT ECONOMIC VALUE GENERATED
REVENUES (TOTAL OIL AND GAS SALES) — 587

DIRECT ECONOMIC VALUE DISTRIBUTED — 367

OPERATING COSTS	174
TAXES PAID TO GOVERNMENT	80
ROYALTIES PAID	69
EMPLOYEE WAGES AND BENEFITS	39.22
SOCIAL INVESTMENT	4.58
PAYMENT TO CAPITAL SUPPLIERS	0

12 For additional 2020 financial and operating information, see the Annual Information Form

"PLAN PADRINO" PROGRAM
RIO DE ORO / CESAR - COLOMBIA

SOCIAL

COMMITTED TO CREATING VALUE FOR SOCIETY

Parex considers the management of societal risks, impact, and opportunities a matter of utmost importance. Its commitment in this area makes the Company a leading, highly competitive, and sustainable enterprise that supports and enables its human talent, its supply chain, and the communities near its operations, protects the health and safety of people and fosters respect for Human Rights.

2021 GOALS

- Continue harmonizing social investment projects that contribute to the SDGs
- Implement a diversity & inclusion plan
- Development of tools to include Human Rights in the Company's management map.

HIGHLIGHTS

SOCIAL INVESTMENT
OF **COP $16,854 MILLION (USD $4.58 MILLION)**

PAREX SOLIDARIA (COVID 19)
COP $1,009 MILLION
(USD $ 273,193)

PAREX RETAINED
100% OF ITS EMPLOYEES IN 2020

EXCEEDED THE LTIF
TARGET OF **0.45**

SOCIAL INVESTMENT AND COMMUNITY RELATIONS

WHY IS THIS A MATERIAL TOPIC?

GRI 103-1

Earning and maintaining long-term social license in the regions of operation is a determining factor for Parex' success. Ongoing approval within the local communities and other stakeholders is possible through the effective relationship between the Company and the communities in the area of influence of its projects and by way of creating positive and sustainable impact through social investment.

Internal Scope: Vice-President of Environment and Communications

External Scope: communities, authorities, civil society organizations

NEIGHBOR LA BELLEZA FIELD
PLATO / MAGDALENA - COLOMBIA

MANAGEMENT APPROACH

GRI 103-2

For Parex, creating shared value is central to its relationship with the communities near its operations and to its social investment. Guided by an authentic interest of the senior management and rooted in Parex' corporate culture, the Company has established a tight link between its business growth and the prosperity of those around it.

Direct, authentic, and transparent relationships + creation of positive impact on the quality of life of the population = creation of value and social license of operations

SUSTAINABLE TERRITORIES

It is important for Parex to partner with nearby communities on a basis of trust, respect, and permanent and genuine dialogue. Since its creation in 2009, the Company has been creating innovative ways to engage with communities with successful results. Through social investment, Parex generates a clear link between its business growth, the development of the regions and the improvement of the quality of life of the population, contributing in this way to the creation of sustainable territories.

STRATEGY AND RESULTS

GRI 103-3, GRI 203-1, GRI 203-2, GRI 413 OWN

Moving into a new area to develop hydrocarbon activities is a great challenge. It is the Company's task to earn the trust of the communities and its representatives. The challenge is to balance the interests of the business with those of the population to create partnerships that are satisfactory and beneficial to both parties and that jointly identify risks and opportunities.

SOCIAL INVESTMENT WITH SUSTAINABLE IMPACTS

Parex considers social investment an issue of great importance and it is fostered through the Company's Corporate Social Responsibility policy and carried out by taking into consideration its contractual obligations with the authorities of the country where it operates and by applying the highest standards and best practices in the sector.

Parex focuses on two core ideas: (i) Sustainable Communities and (ii) Economic Development. Under each of these, several social investment projects and programs are derived and seek to contribute to the fulfillment of the Sustainable Development Goals prioritized by the Company.

In 2020, Parex positively impacted the communities near its operations with a social investment of COP $16,853,828,621 (USD $4.58 million). This demonstrates that despite the challenges posed throughout the year, Parex honored its commitments and did not let down its guard in its pursuit for the well-being of the communities.

- Contractual compliance and industry best practices
- Knowledge of the environment
- Dialogue and participatory planning
- Social investment cooperation
- Public-private partnerships
- Implementation of mandatory and voluntary social investment projects
- Monitoring and evaluation
- Communication

2020
TOTAL EXECUTION VALUE
COP $16,853,828,621
USD $4.58 MILLION

SOCIAL INVESTMENT LINES RSE + SUSTAINABILITY

SUSTAINABLE COMMUNITIES

IMPROVEMENT OF ACCESS AND/OR WATER SUPPLY
COP $1,597,844,473
(USD $432,626)
2,642 FAMILIES

QUALITY EDUCATION
COP $419,682,573
(USD $113,631)
7,939 PEOPLE

HEALTH AND WELLNESS
COP $1,057,946,979
(USD $286,450)
24 FAMILIES Y 3,151 PEOPLE

HOUSING
COP $6,352,998,029
(USD 1,720,113)
1,289 FAMILIES

COMMUNITY AND GOVERNMENT INFRASTRUCTURE
COP $4,359,611,124
(USD $1,180,391)
11,227 PEOPLE

CULTURE, RECREATION AND SPORTS
COP $355,407,827
(USD $96,229)
5,138 PEOPLE

ECONOMIC DEVELOPMENT

AGRICULTURAL PRODUCTIVITY ENHANCEMENT PROJECTS
COP $2,365,842,816
(USD $640,566)
750 FAMILIES

SUPPLIER DEVELOPMENT
COP $344,494,800
(USD $93,274)
103 COMPANIES

PARTNERSHIPS BASED ON DIALOGUE AND MUTUAL GROWTH

GRI 413-1, OG-10
SASB EM-EP-210b.1, SASB EM-EP-210b.2

Parex has been able to build authentic partnerships of trust with the communities nearby its operations by diligently creating and guaranteeing spaces for dialogue and communication and by honoring its commitments. The Company's commitment to generate shared benefits is evident today in the improvement of the quality of life of many families through its social investment, in the generation of local employment and in the prioritization and strengthening of local contractors and suppliers.

Parex has CSR (Corporate Social Responsibility) managers in the field, in charge of permanently monitoring and responding to the concerns, perceptions and expectations that may arise throughout the execution of the projects. The Parex' objective has always been to facilitate effective interaction between the Company and the authorities and communities in the area of influence of its operations, by providing staff and creating communication channels as needed.

The information and communication process takes place according to the stage of the project and is advanced with the authorities and communities. The purpose of this process is to inform about environmental licenses, scope of the activities to be implemented, measures in place to prevent, mitigate and/or compensate impact, guarantees and mechanisms for accessing employment opportunities, requirements and procedures for contracting local goods and services, protocols for requests, complaints and claims, as well as provide the guidelines for social investment as established in the Company's Social Responsibility Policy. These meetings are attended by representatives of contractors and subcontractors of civil works, drilling, short and extended testing, among others, as well as by members of the different areas of the Company such as HS&E (Health, Security & Environment), Civil, Drilling, Completion, Operations and Safety.

During 2020, due to the COVID-19 pandemic, new communication tools were implemented to ensure dialogue with the authorities and communities in the area of influence. More than ever, Parex felt committed to the communities, trying to understand their challenges, and working in a coordinated and articulated manner to counteract the socioeconomic effects caused by the pandemic. Follow-up and monitoring efforts were conducted through virtual meetings and phone calls, informative capsules, and email, among others.

During 2020, there were seven (7) social conflict incidents in the area of the Company's operations, which were managed within the legal framework of the country of operations and the industry best practices.

NUMBER AND TYPE OF MEETINGS HELD WITH COMMUNITIES IN 2020

MEETING TYPE	NUMBER OF MEETINGS	NUMBER OF ATTENDEES
SOCIALIZATION	147	2,161
PROGRESS AND FOLLOW-UP	247	2,362
CLOSING	9	226
COMMUNITY BENEFITS PROGRAM ("PBC")/SOCIAL INVESTMENT	116	1,774
CONFLICT RESOLUTION	13	128
PRESS RELEASES	156	N/A
	TOTAL 688	TOTAL 6,651

LOCAL JOB CREATION

GRI 413-OWN

Parex promotes the hiring of local skilled (MOC) and unskilled (MONC) labour, as part of the relationship with the communities near its operations, in compliance with the provisions of the law in the country of operation. In Colombia, where 100% of the Company's activities took place during 2020, the hiring process was conducted through the Public Employment System to ensure access to information on employment opportunities, transparency in the hiring process and conformity to the Colombian Labour Standard Regulations related to local hiring.

NUMBER OF ACTIVE AND EXISTING LOCAL EMPLOYMENT OPPORTUNITIES (MONC AND MOC)

	2019	2020
WOMEN	868	779
MEN	2,747	2,519
TOTAL	3,615	3,298

Local hiring decreased by 8.76 % in 2020; however, it remained dynamic despite the economic downturn.

STRENGTHENING LOCAL BUSINESSES

During 2020, Parex continued to promote entrepreneurship in the areas near its operations not only through the procurement of local goods and services but also through its enhancement program. During this period, 103 local companies benefitted through this program with the intention of increasing their competitiveness in the market.

PETITIONS, COMPLAINTS AND CLAIMS MANAGEMENT SYSTEM (PQR)

GRI 102-17, GRI 413-1

The Petitions, Complaints and Claims Management System (Sistema de Peticiones, Quejas y Reclamos) (PQR) is a mechanism used to support risk management and build relationships with stakeholders, especially the communities. It is a permanently active and widely advertised channel in the areas where Parex operates. The Company's Legal department is responsible for managing its operation but is supported by the Corporate Social Responsibility department, which is responsible for the relation between the Company and the communities. In addition, depending on the nature of the PQR, different Parex departments may get involved in the process of resolution.

When it comes to PQR response timing, Parex works within the legal requirements where it operates. In most cases, the Company responds to PQRs within 10 working days. However, depending on the nature and complexity of the PQR, this process may take additional time, in which case the Company notifies the petitioners.

In 2020, 99.5% of the PQRs received resolution; that is, 441 out of 443 submitted received resolution while the remaining two were still in process at the close of 2020, still within the legal timeframe. There was a 9% decrease in the number of PQRs submitted compared to what was reported in 2019.

443 TOTAL PETITIONS, COMPLAINTS, AND CLAIMS

441 TOTAL PQRS RESOLVED AND ARCHIVED

PETITIONS

183 MISCELLANEOUS ISSUES
61 WORK OPPORTUNITIES
8 RIGHTS TO PETITION

COMPLAINTS AND CLAIMS

96 ENVIRONMENTAL
35 CONTRACTORS
19 LANDOWNERS
18 DETERIORATION/MAINTENANCE OF ROADS
15 PARTICULATE MATTERS
4 GOODS AND SERVICES
3 WAGES AND BENEFITS

HUMAN RIGHTS AND INDIGENOUS PEOPLES' RIGHTS

WHY IS THIS A MATERIAL TOPIC?

GRI 103-1

Parex is deeply committed to respecting Human Rights in every aspect of its business activities and operations. The Company strives to prevent its activities from causing a negative effect on Human Rights and, should this occur, to take action to mitigate or remedy the impact.

Likewise, Parex is aware that business projection is linked to its human rights performance, and that there is a growing expectation of compliance with the UN Guiding Principles on Business and Human Rights and its contribution to global goals such as the Sustainable Development Goals (SDGs) through responsible and transparent business management.

Internal Scope: Parex Senior Management Vice-President of Government Relations, Legal Management, Safety Management.

External Scope: Communities, civil society, authorities, partners, investors, shareholders, employees, contractors and suppliers.

MANAGEMENT APPROACH

GRI 103-2

Human Rights management is prioritized by Parex based on the results of its materiality assessment, which includes the participation of the Company's stakeholders, and on the commitment of its management to respect human rights, as related to national and international laws and the corporate performance in ESG factors.

The Company's operations are conducted with integrity and respect for people's rights, under a model of coexistence, trust and respect for neighboring communities and the people with which Parex interacts.

Parex'commitment to Human Rights is based on the Universal Declaration of Human Rights (1948) and the Fundamental Principles and Rights at Work (1998) of the International Labour Organization (ILO). It also uses the UN Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights as references.

STRATEGY AND RESULTS

GRI 103-3, GRI 410-1, GRI 411-1
SASB EM-EP 210a.1
SASB EM-EP 210a.2
SASB EM-EP-210b.1

Human Rights management is overseen by the Human Resources and Compensation Committee within Parex' ESG Governance structure framework, as delegated by the Company's Board of Directors.

In addition to rigorously complying with the laws and regulations of the jurisdictions where it operates, the Company guides its actions based on its Code of Conduct and Ethics and its Human Rights Policy, updated in 2020 and published on August 5th of the same year. These corporate documents extend the commitment to human rights across its value chain.

ZERO (0) COMPLAINTS
OF HUMAN RIGHTS VIOLATIONS
AND INDIGENOUS PEOPLE´S RIGHTS.

THE COMMITMENT

In its Policy, revised and signed by Parex Resources Inc.'s President and CEO, the Company commits to respect and promote human rights. This policy emphasizes the aspects most likely to be affected by the hydrocarbon industry, such as the environment, local communities, safety, labour rights, supply chain and access to effective remedy in the event of human rights violations.

Parex aligns all other corporate policies, management processes and sustainability programs with this commitment.

The Human Rights Policy is included in the contracts signed by Parex with its employees and contractors. In the case of the latter, the Policy is part of their basic integration training.

The regulations of the jurisdictions where the Company operates is a starting point in its Human Rights Policy, especially when it refers to local communities, ethnic groups, safety, and labour rights. Where such regulations do not exist, the Company takes its Human Rights Policy as a guideline and implements the best practices relevant to the industry in its operations.

In 2021, Parex will continue to work on the implementation of its Human Rights Policy to fulfill the specific commitments to ethnic communities, local communities, workers' rights and freedoms, decent working conditions, and safety, among other issues.

Parex' Human Rights Policy is based on the United Nations Guiding Principles on Business and Human Rights and is composed of 12 specific commitments summarized as follows:

- Respect for the rights and dignity of all people and compliance with all applicable legal requirements.

- Respect for the right to life, integrity, and personal freedom.

- Equal treatment and non-discrimination.

- Rejection of all forms of forced labour, exploitation of children and child labour.

- Labour practices in accordance with ILO standards.

- Respect for employee rights, dissemination of the policy, relevant training, and development of compliance procedures.

- Provide a safe work environment and manage safety risks in accordance with best practices and standards relevant to the industry such as the Voluntary Principles on Safety and Human Rights.

- Respect for cultural and ethnic diversity and gender equity.

- Respect for the rights of local communities through dialogue and consultation to identify and prioritize local needs.

- Promotion of environmental awareness and development of sustainable strategies for environmental protection, prevention or mitigation of negative impacts that may affect the rights of communities, including their right to water.

- Establishment of complaint and grievance mechanisms to address possible impacts of Parex activities on people's rights.

- Encouraging respect for the above commitments through the disclosure of this policy in all business relationships, as appropriate.

[13] Access Parex' Human Rights Policy

HUMAN RIGHTS TRAINING AND EDUCATION

GRI 412-2

In order to achieve a better understanding of Human Rights within the Organization, as well as to raise awareness among employees regarding their individual and corporate commitment, the Company conducted a training session for 98% of its direct employees in Colombia in 2020. This training consisted of a one-hour virtual course, through which the fundamentals of human rights were presented, and the components and guidelines of the policy were explained. Once the course was completed, participants took an exam to evaluate their knowledge and received a certificate upon passing it.

In January 2021, the Company released its Human Rights Policy to 100% of employees and consultants in Calgary, Canada, and required all employees and consultants to both complete an evaluation consisting of 4 questions to ensure thorough understanding of the Policy and sign a policy acknowledgement receipt.

EMPLOYEE TRAINING ON HUMAN RIGHTS POLICY OR PROCEDURES IN COLOMBIA

	2020
No. OF HOURS	**292**
PERCENTAGE OF EMPLOYEES	**98%**

PAREX - TELEPORT
BOGOTÁ - COLOMBIA

RISK MANAGEMENT

Prior to entering each territory, Parex conducts socio-political and environmental analysis that can shed light on possible impacts related to human rights and can assist in the design and implementation of intervention plans and best practices within the framework of the law. Also, within the framework of environmental licensing, participation spaces for local communities are created, as required by the law.

In 2020, the Company implemented a pilot exercise to include classification criteria associated with Human Rights in its current PQR (Petitions, Complaints and Claims) mechanism. Thanks to this initiative, opportunities for improvement were identified and are being developed in 2021.

During 2021, Parex will start working on the development of tools to include Human Rights in its management mapping to have a better understanding of specific risks and opportunities.

RIGHTS OF INDIGENOUS PEOPLES

■ SASB EM-EP-210a.1

In Colombia, nearly 15% of the population identifies itself as part of an ethnic minority (4.4% indigenous and 9.8% Afro-descendant). Many of these people live in territories recognized as ethnic and which account to about 25% of the national territory. In cases where Parex operates in proximity to these territories, the Company does so in compliance with Colombian laws and norms as well as with its Human Rights Policy.

As previously mentioned, one of the commitments of the Company's Human Rights Policy is respect for cultural and ethnic diversity. This commitment, together with Parex' general principle of compliance with the laws and regulations in the jurisdictions where it operates, guides the Company's relationship with indigenous communities and takes place within the framework of respect for their rights. It should be noted that Parex has initiated an internal task to establish specific procedures related to relations with ethnic communities.

OIL RESERVES IN CONFLICT REGIONS

■ SASB EM-EP-210a.2

Parex currently carries out 100% of its operations in Colombia, where the effects of a historical armed conflict coexist with those associated with post-conflict processes. The areas identified by the Company as conflict regions are those where illegal armed actors are actively present. There, Parex takes specific measures to ensure the safety of its employees and facilities, aligned with international standards on Human Rights and outlined in its corporate policy.

5.38 % **2020 PROVEN RESERVES IN CONFLICT AREAS 5.38 %.**

5.61 % **PROBABLE RESERVES IN CONFLICT AREAS 5.61 %.**

5.38 % **2020 PROVEN RESERVES NEAR INDIGENOUS LANDS 5.38 %**

5.61 % **PROBABLE RESERVES NEAR INDIGENOUS LANDS 5.61 %.**

HUMAN CAPITAL

WHY IS THIS A MATERIAL TOPIC?

GRI 103-1

Human capital management is key to guarantee Parex' competitiveness and sustainability, as it is the employees who make a positive impact on the Company's productivity, who work to fulfill its business objectives, and who materialize the principles, corporate values and ESG goals set out by the Organization.

Internal Scope: Parex Senior Management - Human Resources Management

External Scope: employees

MANAGEMENT APPROACH

GRI 103-2, GRI 102-41

Parex attracts the best human capital available in the labour market and implements actions to develop, motivate and retain it, strengthening their sense of belonging and commitment to the Organization. The Company focuses on creating a respectful, diverse, and inclusive environment where all people feel valued and a fundamental part of the corporate strategy.

The Company respects the rights of workers to freedom of association. In 2020, there were no unionized employees.

LA BELLEZA FIELD
PLATO / MAGDALENA - COLOMBIA

STRATEGY AND RESULTS

GRI 103-3, GRI 102-8, GRI 401-1 GRI 401-2

Business Continuity and Employee Well-being in 2020

Human capital management during 2020 involved a committed and collaborative corporate response to the heightened range of challenges posed by the Covid-19 global pandemic. Thanks to Parex' ability to adapt swiftly to change, business continuity was provided, prioritizing the well-being and stability of employees.

100% of Parex' direct employees have permanent contracts

CARMENTEA FIELD
TAURAMENA/ CASANARE - COLOMBIA

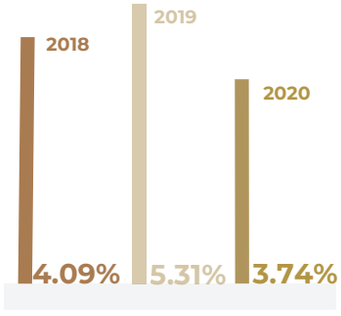
MEASURES ADOPTED BY PAREX IN 2020

- Maintained 100% of personnel
- Implemented remote work and complied with the preventive isolation restrictions for 100% of the personnel in the Bogota office.
- Strengthened the corporate network connection tools for all employees, guaranteeing access to administrative and business applications.
- Set up a program for the distribution of equipment, office supplies and accessories to make working from home more comfortable.
- Encouraged a culture of self-care and ergonomics at home by sending newsletters and delivering biosafety items.
- Temporary transfers of area and position as well as assignment of new roles and responsibilities to transferred employees.
- Updated the training plan through collaboration applications, such as Microsoft Teams, to ensure continuity in this process.
- Adapted employee workstations and company facilities, complying with COVID-19 prevention and mitigation measures.
- Updated the Well-being department schedule plan with virtual activities that allowed the participation of personnel in Bogota and in the field.
- Enabled a virtual correspondence service, allowing management of more than 71% of the outgoing correspondence during the year, and resulting in a 52% reduction in the use of paper compared to the previous year.
- Accessing files securely and efficiently through document management software.

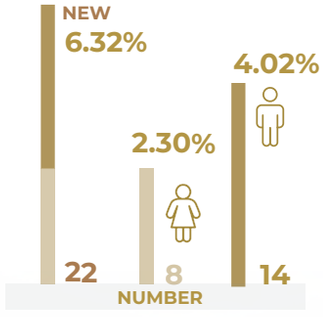
DIRECT EMPLOYEES BY GENDER
CANADA AND COLOMBIA

	2018	2019	2020
WOMEN	105	109	114
MEN	213	230	234

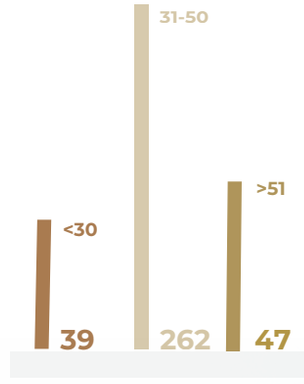
TURNOVER RATE
CANADA AND COLOMBIA



NUMBER AND RATE OF NEW HIRES[14]
CANADA AND COLOMBIA
2020



DIRECT EMPLOYEES BY AGE
CANADA AND COLOMBIA **2020**



PAREX - TELEPORT
BOGOTÁ - COLOMBIA

[14] Calculated using total number of employees at the end of the corresponding period

EMPLOYEE SELECTION PROCESS

Parex has a standardized employee selection process that ensures transparency and a level playing field for all applicants. Candidates must pass the different stages in the selection process: recruitment, pre-selection, interviews, evaluation, and in Colombia, a security check. At the end of the process, the most suitable candidate for the position is selected based on the profile the Company requires.

DIVERSITY AND INCLUSION

GRI 406-1

ZERO (0) CASES
OF DISCRIMINATION IN 2020

Parex' Board of Directors recognizes the benefits of having an inclusive and diverse culture and, together with its Governance and Nominating Committee, is committed to promote these principles across the Organization, ensuring equal opportunities to employment, development, promotion and incentives.

The Company works to create a diverse work environment that enhances employee development and promotes the talent of people regardless of gender, race, sexual orientation, nationality, or age. In 2021, Parex approved and released its corporate diversity policy, in which it set a target of having 30% women represented on the Board of Directors; and expects to develop plans and activities that will implement these principles across all aspects of the Organization.

TRAINING, EDUCATION AND DEVELOPMENT

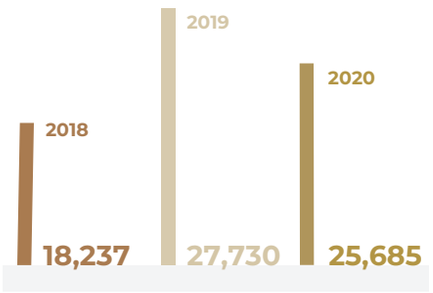
GRI 102-48, GRI 404-1, GRI 404-2, GRI 404-3

Parex started a virtual training program for its employees in March 2020 in consideration of the COVID-19 public health emergency and the subsequent isolation and quarantine measures. A monthly virtual catalog was developed to offer employees training in soft skills, technology, Occupational Health and Safety, COVID management and technical knowledge, among others. This followed its Training and Development Policy and Procedure and Training Plan.

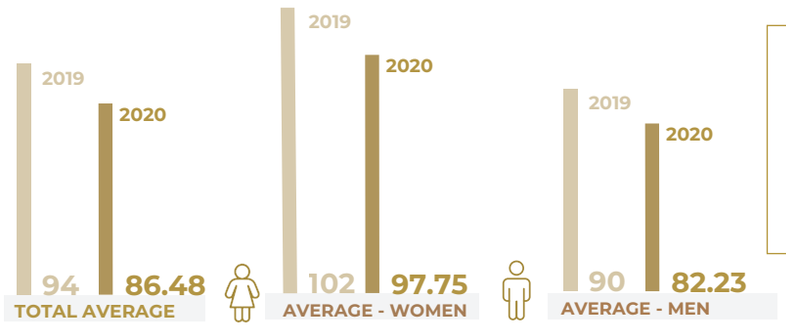
275 TRAINING PROGRAMS IN 2020
(BROAD PARTICIPATION SINCE TRAINING WAS VIRTUAL).

PARTICIPATION OF 100% OF EMPLOYEES

TOTAL HOURS OF EMPLOYEE TRAINING
IN COLOMBIA



AVERAGE TRAINING HOURS
IN COLOMBIA



Restatement of Information: In 2020, the number of hours worked was calculated based on the number of employees as at December 31st and not based on the average number of hours worked used in previous years.

CAREER DEVELOPMENT

Providing opportunities for progress within the Organization is essential for promoting employee development and, in turn, increase the Company's productivity and competitiveness. Every year, Parex evaluates the career development opportunities for its employees within the framework of its Corporate Training Program and in consideration of the needs identified in the organizational structure. As a result of this dynamic of professional growth, a good number of people have reached managerial positions for the first time at Parex.

Appointment of employees to new positions is linked to the results of the Company's annual performance evaluation.

Investment in employee training and career development increased by 11.2%, from COP 1,279 million (USD $346.3 thousand) invested in 2019 to COP $1,601.6 million (USD $433.6 thousand) in 2020.

11% INCREASED INVESTMENT IN EMPLOYEE TRAINING AND CAREER DEVELOPMENT

100% PAREX EMPLOYEES HAD THEIR PERFORMANCE EVALUATED IN 2020

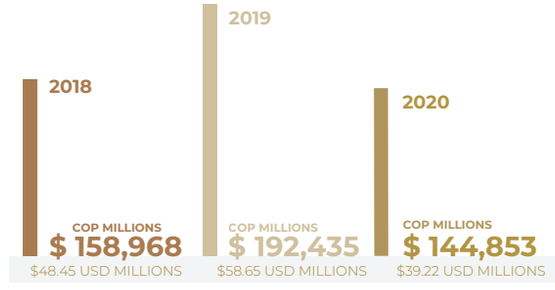
SALARIES AND BENEFITS

GRI 401-2

Parex offers attractive compensation and benefit packages that are competitive in the hydrocarbon sector. Through its Benefit Plan Policy and Procedure, the Company offers a benefit portfolio for its employees that they can tailor according to their individual or family needs.

The Company offers benefits including, in some jurisdictions, health and life insurance, home and car insurance, voluntary pension, dental plan, and education reimbursement, among others. There is also a long-term Incentive Program that applies to 100% of its employees.

SALARIES AND BENEFITS
(INCLUDING LONG-TERM INCENTIVES)



2020 presented a 33.13% decrease in labor costs due to the reduction of field trips by employees as a result of the pandemic and some activities in the operations area, which translated into significant savings in payments to the Administrator of Occupational Risks (High Risk). Additionally, many employees took vacations, a value that is charged to a liability that the Company already has and therefore does not affect the expense. None of these measures affected the employee's final compensation.

Parex also grants an annual bonus based on the performance evaluation of each employee and its business performance results. In 2020, all eligible employees received their annual bonus.

Throughout 2021, Parex will focus its efforts on adjusting its policies, improving the Compensation Plan and job evaluation as well as adopting new methodologies to standardize the career plan across all areas and levels of the Organization. The goal is to apply these changes to all its branches in any country of operation. This strategy is intended to prepare the Company to meet its business growth expectations and its expansion to new areas.

INFORMATION TECHNOLOGIES

Starting in 2019, Parex began a process of implementing technological tools to increase the efficiency and productivity of work teams. This effort facilitated the Organization's adaptation to remote work and was key to providing business continuity in 2020. With the strengthening of communication channels, employees were able to maintain collaboration and high-speed access to applications and information required for their work.

While 2020 was a year of unexpected challenges due to the COVID-19 pandemic, it also became an opportunity to achieve the Company's digital transformation and create a new work culture that ensures close communication between all employees and management.

PAREX CONTROL CENTER
BOGOTÁ - COLOMBIA

2021 PAREX HUMAN CAPITAL GOALS:

- Identify high potential and opportunities to create leaders
- Plan Semilla for young/first job interns
- Refine the career development and compensation plan to facilitate the Company's decision-making and to provide employees with a clearer understanding of growth opportunities within the Organization
- Start implementing the Diversity and Inclusion Plan
- Succession planning
- Strengthen the Document Management System directed at the potential growth of the Company
- Develop and promote employee self-management through new online tools

CYBERSECURITY

The risk of cyber-attacks jeopardizes the Information Technology (IT) and Operational Technology (OT) of hydrocarbon companies. Parex is aware of the effects that the materialization of such risks could create for business continuity and for the health and safety of workers. For this reason, during 2020 the Company fortified the cybersecurity-awareness training program for all employees through a platform used to conduct simulated Phishing attacks to train employees in cybersecurity awareness.

In addition, as part of the security strategy to fortify the LAN network, a network access control (Network Access Control) or (NAC) was implemented in the Bogotá offices.

With the assistance of specialized third parties, Parex regularly updates the security rules and configurations of the detection devices that make up the perimeter security for access to the different work networks.

In 2021, the network access control configuration in the Calgary offices will be expanded and the hardware and security services related to the firewall will be upgraded. The Company will also conduct a new ethical hacking exercise, formalize the cybersecurity incident response plan, and continue training programs for network users.

HEALTH AND SAFETY AT WORK

WHY IS THIS A MATERIAL TOPIC?

GRI 103-1

Protecting employees and contractors against possible injuries, work-related illnesses, and/or occupational diseases that may occur while conducting its operations is a priority for Parex. Occupational Health and Safety Management is, therefore, a cross-cutting and fundamental issue that involves all aspects and processes of the Company.

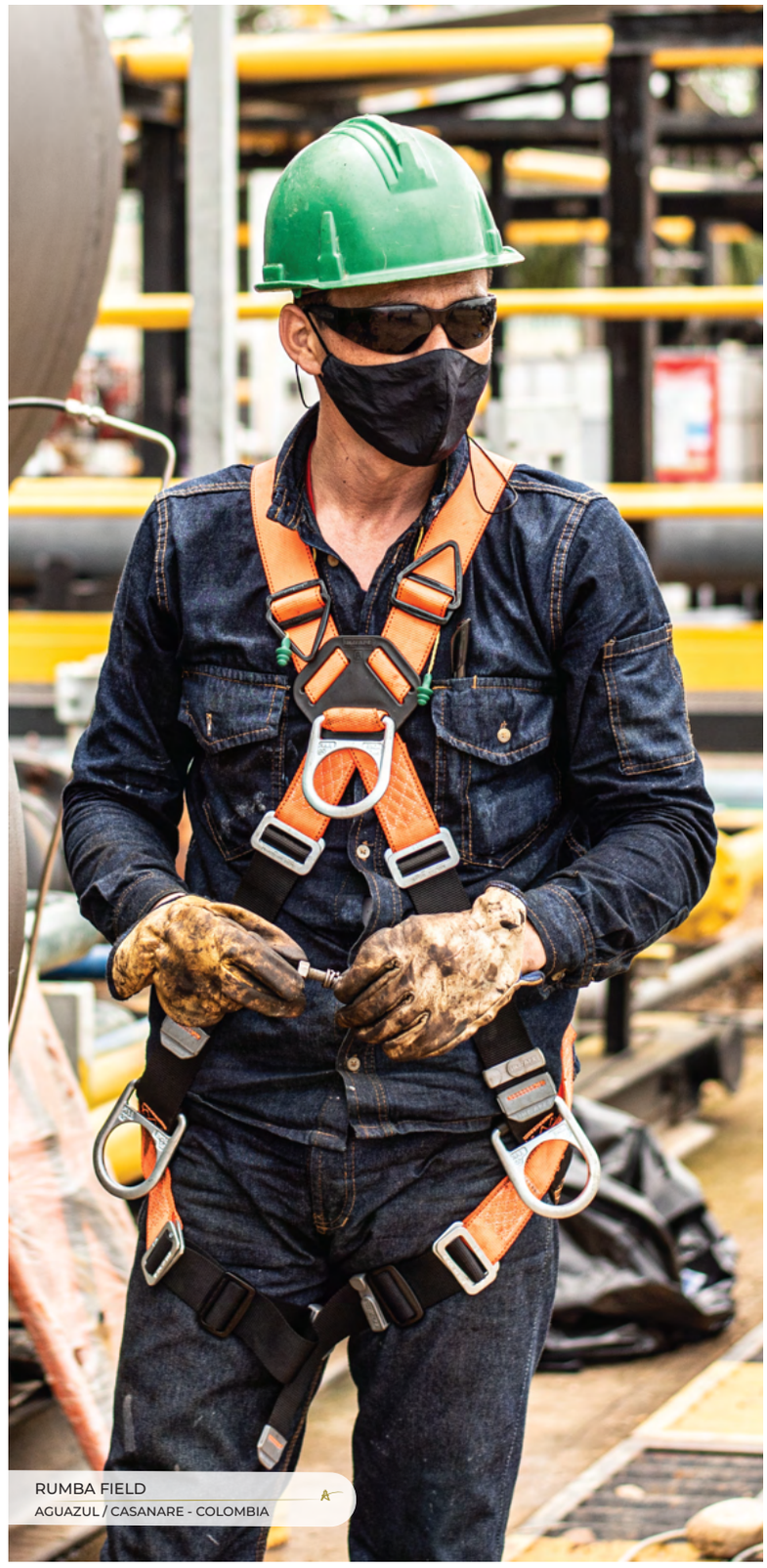
Internal Scope: Health and Safety Management, and in general, all areas of the Company

External Scope: Employees, contractors, suppliers, communities, and partners

MANAGEMENT APPROACH

GRI 103-2

Parex' Occupational Health and Safety Management system aims at preventing occupational risks, promoting the health and well-being of workers, and guaranteeing a rapid and effective response to possible emergencies, while preventing negative impacts on people, the environment or the Company's assets. This is achieved through a solid corporate culture, an effective organizational and operational structure that complies with current regulations and through a firm commitment for sustained improvement.



RUMBA FIELD
AGUAZUL / CASANARE - COLOMBIA

STRATEGY AND RESULTS

GRI 103-3
SASB EM-EP-320a.1

The HS&E (Health, Safety and Environment) and Reserves Committee of Parex' Board of Directors is responsible for overseeing the management of Occupational Health and Safety within the framework of the Company's ESG structure. In turn, the Comprehensive HSEQ (Health, Safety, Environmental and Quality) Policy establishes the guidelines for its management for the success of the business and the viability and sustainability of operations.

PAREX MADE SIGNIFICANT PROGRESS IN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT IN 2020:

- Fulfilled its transition plan to ISO 45001:2018.
- Implemented the Process Safety and Humanization of Procedures programs.
- Developed "SharePoint HS communications," a new communication, participation, and consultation mechanism.
- Implemented the critical incident metrics.
- Developed the online application "SOS Card" for reporting unsafe acts and conditions.
- Certified (Bureau Veritas) as safe areas (COVID-19) the Bogotá facilities and three camps.
- Implemented a virtual training catalog.

MANAGEMENT AND EMPLOYEE LEADERSHIP

To strengthen the culture of self-care, minimize the occurrence of injuries and prevent illnesses; each area of the Company, under the leadership of the corresponding manager, is committed to promoting initiatives as well as conducting safety inspections, reviewing accomplishment of goals, and taking the necessary corrective measures.

During monthly Key Performance Indicators (KPI) meetings, the Management team reviews the KPI indicators to measure the progress of their strategic plan and the current state of the Company in terms of compliance with relevant standards, legal provisions, and policies. The achievement of these indicators is tied to the annual employee performance bonus.

In addition, in line with Plan Mentor, Parex' direct employees take on the role of mentors for community personnel working for the Company, to promote and facilitate greater understanding of occupational risks and the adoption of safe practices.

AVERAGE HOURS OF TRAINING IN OSH AND EMERGENCY RESPONSE

13[15] EMPLOYEES

0.36[16] CONTRACTORS' WORKERS

GRI 403-1, GRI 403-2, GRI 403-4, GRI 403-8
SASB EM-EP-320a.2

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT SYSTEM (OSHMS)

The Company's Occupational Health and Safety Management System (Sistema de Gestión de la Seguridad y Salud en el Trabajo (SG-SST)) is certified according to Colombian technical standards NTC-OSHAS 18001 and NTC-ISO 45001. This system covers 100% of direct employees, contractors' workers and, in general, the stakeholders who have been identified and associated with operations in Colombia. Through this system, Parex ensures compliance with regulations, safeguards people's integrity and anticipates, recognizes, evaluates, and controls the risks that may affect them.

[15] Calculated using the number of full-time employees in Colombia (296). Includes socialization of lessons learned
[16] Training was carried out between October and December 2020. The calculation took into account the monthly average of contractor workers in Colombia, that is, 4,925.

RISK MANAGEMENT

Through its Continuous Risk Assessment Process, the Company identifies hazards that may occur during normal and non-routine activities. Once identified, the necessary control measures are evaluated and adopted.

In 2020 Parex began tracking Process Safety Events in its activities, and in 2021 it will measure performance in the occurrence of these events, following the recommendations of the International Association of Oil and Gas Producers (IOGP).

Parex classifies hazards according to the following categories: Physical, Chemical, Biological, Safety, Biomechanical, Psychosocial and Natural Hazards. The Hazard Identification and Risk Evaluation Matrix (Matriz de identificación de peligros y evaluación de riesgos) (MIPER) is the tool used to identify occupational hazards and evaluate the safety risks associated with the activities. This tool is used for participatory discussion in meetings prior to each work shift.

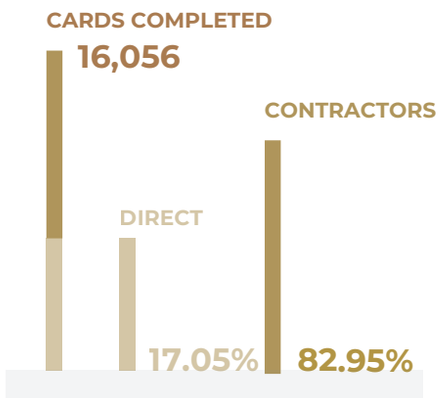

MARACAS FIELD
SAN LUIS DE PALENQUE / CASANARE - COLOMBIA

Once the schedule of activities and work to be performed by each area has been established and analyzed, both field supervisors and workers evaluate the risks associated with those tasks and determine the required control measures. Tasks come to a halt if during their execution it is determined that these control measures do not guarantee their safe performance. Likewise, if any worker identifies a risk and considers that the work must be stopped because it may cause injury, illness or disease, he/she has the authority to do so.

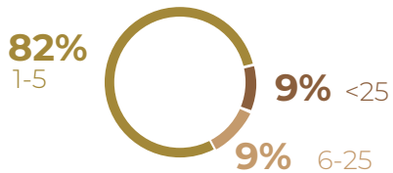
Workers also have at their disposal the Sistema de Seguridad Basada en el Comportamiento – Sistema de Operaciones Seguras - Tarjetas SOS (Behaviour-Based Safety System - Safe Operations System - SOS Cards), created to identify and intervene in unsafe behaviours and conditions and near accidents in order to reduce injuries, maintain low accident rates and maintain a safe and healthy workplace. Through this system, 26 near misses and 4 high potential near misses were reported and investigated, for a total of 30 near misses.

2020 SOS CARD MANAGEMENT

2020



TIME TO COMPLETE FULL INCIDENT INVESTIGATION (DAYS)



CONTRACTOR HEALTH AND SAFETY

GRI 403-7

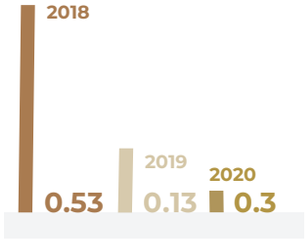
The Company also conducts Health and Safety audits to evaluate the performance of contractor companies. In 2020, Parex developed the Critical Incident Metric to classify them by risk level and establish the frequency of audits to be carried out. Contractors that are classified as high and extreme risk are audited at least once every two years. However, this varies depending on the results obtained from accident & incident indicators and from the contractor's performance in complying with the Company's requirements.

In 2020, 17 contractors were audited, that is, 22.07% of the total contractors (Colombia) that were classified in the high and extreme risk level.

In the case of trucking companies, Parex has a system of scores that contractors must pass in order to provide their services to the Company. Since 2018, an annual Health and Safety Recognition was created and has been used to highlight work, commitment, good practices, and effective management.

MOTOR VEHICLE ACCIDENT FREQUENCY

(MVA)



$$\text{Frequency MVA} = \frac{\#\text{Total MVA} * 106}{\text{Km}}$$

The difference in the MVA rate between 2019 and 2020 is explained by the reduction in the Company's operations due to the pandemic, where kilometers traveled in 2020 (which correspond to the denominator of the indicator) were reduced by approximately 5,000,000 kilometers. This, combined with the inclusion of 2MVA in the 2019 report and 3 MVA in the 2020 report, explains the difference between MVA rates.

Through the analysis of accident & incident performance, the progress of prevention strategies is reviewed and evaluated through a set of performance indicators. This process will result in the implementation of improvement actions if necessary.

CABRESTERO FIELD
VILLANUEVA / CASANARE - COLOMBIA

HEALTH AND LIFE ARE PAREX' PRIORITY

GRI 403-3, GRI 403-6

The health of employees in the workplace is of high priority for Parex. For this reason, the Company promotes a culture of prevention and self-care and links all its employees, in Colombia, to the health insurance services as defined by law.

In addition, a doctor from the Company's health services provider in Colombia visits the premises to offer consultations to employees that may require them. The Company also has the support of a medical advisor from the Labour Risk Management company (Administradora de Riesgos Laborales) (ARL), SURA, who monitors the results of occupational health assessments to detect possible unsafe conditions in the workplace.

EMERGENCY MANAGEMENT

GRI 403-2
SASB EM-EP-540a.2

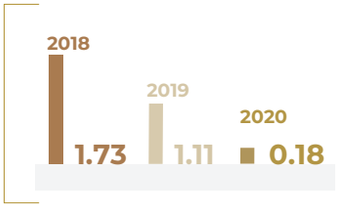
Among the actions taken by Parex to strengthen the Occupational Health and Safety Management System is the Emergency Prevention, Preparedness and Response Plan. This plan identifies potential threats that could affect the health and safety of people, the environment, and/or the Company's assets. It also implements the Corrective and Preventive Actions and Opportunities for Improvement (Acciones correctivas, preventivas y oportunidades de mejora) Procedure to mitigate the consequences of incidents and resolve nonconformities and implement improvement actions. The effectiveness of these actions is confirmed by those responsible for each area, completing the safety management cycle.

PURSUING EXCELLENCE

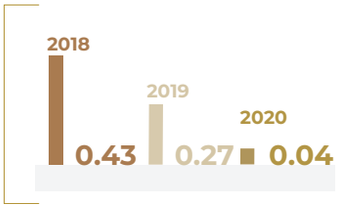
GRI 403-9, GRI 403-10
SASB EM-EP-320a.1

For 3 consecutive years Parex' performance in Occupational Health and Safety has shown excellent results in terms of reducing Total Recordable Incident Frequency (TRIF) and Lost Time Injury Frequency (LTIF).

TOTAL RECORDABLE INCIDENT FREQUENCY **(TRIF)**



LOST TIME INJURY FREQUENCY **(LTIF)**



Note: In 2020, Parex calculated these indicators based on 200,000 worked man-hours in order to comply with the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).
FAT refers to Fatalities.

$$\text{LTIF} = \frac{\text{\# total LTI + FAT} * 200{,}000}{\text{Worked Man-hours}}$$

$$\text{TRIF} = \frac{\text{\# TRI} * 200{,}000}{\text{Worked Man-hours}}$$

$$\text{MVA} = \frac{\text{\# MVA rregistrable} * 200{,}000}{\text{\# Total Kilometres Travelled}}$$

$$\text{Absenteeism} = \frac{\text{Number of days absent x Incapacity for work or Common Illness in the month} \times 100}{\text{Number of scheduled workdays in the month}}$$

IN 2020

ZERO (0) OCCUPATIONAL INJURY FATALITIES (FAT)

ZERO (0) OCCUPATIONAL ILLNESSES

ABSENTEEISM OF 0.8%
(INCLUDES COMMON AND OCCUPATIONAL ILLNESS)

In 2020 Parex continued to improve its performance in protecting workers safety. Unfortunately, in the year of this report, there were four workplace injury incidents to contractors, classified as injuries, blows and contusions or crushes.

	EMPLOYEES	CONTRACTORS
FATAL OCCUPATIONAL INJURIES	0	0
FATAL OCCUPATIONAL INJURY RATE	0	0
NUMBER OF SERIOUS OCCUPATIONAL INJURIES (NOT INCLUDING FATALITIES)	0	0
RATE OF SERIOUS OCCUPATIONAL INJURIES (NOT INCLUDING FATALITIES)	0	0
NUMBER OF RECORDABLE OCCUPATIONAL INJURIES	0	4
RATE OF RECORDABLE OCCUPATIONAL INJURIES	0	0.21
NUMBER OF HOURS WORKED	649,188	3,873,564

COPASST

GRI 403-4

Parex has the Joint Committee on Health and Safety at Work (Comité Paritario de Seguridad y Salud en el Trabajo) (COPASST), a legal participatory and employee representative body. The committee is formed through the vote of all direct employees of the Company and is responsible for the promotion and monitoring of safety rules and regulations for the detection of risks as well as for the planning and adoption of corrective measures. COPASST members meet on a monthly basis.

HEALTH AND SAFETY DURING COVID-19

Aware of its responsibility to employees and contractors, Parex developed a biosafety Covid-19 protocol that incorporates additional measures to those required by the national government and that was filed with the local authorities. In addition, after the Bureau Veritas audit was conducted, Parex' facilities in Bogotá and three fields were certified as safe areas.

Other measures adopted, in addition to the mandatory use of masks, hand washing and social distancing:

- Creation of the Colombia Committee: Comprised by the Company's President and Vice President of Government Relations as well as Human Resources and HS&E managers. This committee monitors and evaluates compliance with measures on a weekly basis.
- Contact tracing
- Cleaning and disinfecting of camp, offices, common areas and vehicles.
- Creation of a web page for the socializing of pandemic-related topics.
- Hiring of 6 nurses specialized in Occupational Health and Occupational Risks as health inspectors to verify compliance with the COVID-19 protocol.
- Daily temperature monitoring for field staff
- Daily health self-reporting: 100,000 health self-reports were generated in 2020.
- Testing for COVID-19 of all personnel entering the field in order to detect potential presence of the virus

RUMBA FIELD - LLANOS 26 BLOCK
AGUAZUL / CASANARE - COLOMBIA

ENVIRONMENT

2020 HIGHLIGHTS

DIRECT
CO_2 EMISSIONS DECREASED BY 26.1%

GHG EMISSIONS
INTENSITY RATIO DECREASED BY 23.9%

ENERGY CONSUMPTION REDUCED BY
6.17 TERAJOULES

GOALS

By 2025
Eliminate routine gas flaring, supporting the world bank's zero routine flaring by 2030 initiative

By 2030
Reduce operated scope 1 and 2 GHG emissions intensity by 50% from a 2019 baseline.

By 2050
Achieve net zero aspirational goal in scopes 1 and 2 (operated assets).

GRI 308-2
SASB EM-EP-160a.1

Parex recognizes that the success of its operations and the sustainability of its business are directly linked to its ability to effectively manage the risks associated with the health and safety of its workers and the environment. Its corporate commitment to these two key aspects is explicit in its HSEQ Policy.

Preventing pollution and promoting conservation, care and protection of the environment, making responsible use of natural resources and, managing the impacts of operations to mitigate climate change and protect biodiversity and ecosystems are the cornerstones of Parex' environmental performance. To realize these commitments, the Company has a Business Risk Management (ERM) System, which spans across all its operations.

Parex' strategy is based on rigorous compliance with environmental laws and the provisions established by the authorities in its environmental licenses and permits, the adoption of globally accepted standards and the application of industry best practices. The Environmental Impact Studies and the specific Management Plans for each project are conducted responsibly, understanding the great commitment the Company has with the country where it operates and actively involving the communities in the areas near its operations.

Under the direction of Senior management, the Company carries out routine inspection, monitoring, evaluation, and reporting activities to ensure the successful implementation of the strategy, applicable policies, and the emergency response plan. On a quarterly basis, the management develops and submits reports to the Board of Directors through the HS&E (Health, Safety and Environment) and Reserves Committee.

Annually, Parex discloses its ESG results and reports its environmental performance using the GRI and SASB standards as well as through CDP. [17]

During 2020, no Parex' suppliers were identified as having actual or potential negative environmental impacts.

[17] See additional information on Parex' ESG performance at https://parexresources.com/sustainability/

CLIMATE STRATEGY AND GHG EMISSIONS

WHY IS THIS A MATERIAL TOPIC?

GRI 103-1

Greenhouse gas (GHG) emissions are one of the main causes of climate change; and the potential negative impacts of climate change on society, ecosystems and business continuity are widely accepted by various stakeholders. There is a clear global and local agenda to reduce GHG emissions to drive the transition to a low-carbon future economy, which is highly valued by Parex' stakeholders.

Internal Scope : Parex Senior Management - President , Vice-Presidency of Operations, Vice Presidency of Environment and Communications and Viability and Environmental Monitoring Management.

External Coverage: Authorities, Investors, Communities, Contractors, Employees, Customers, Civil society organizations

MANAGEMENT APPROACH

GRI 103-2

Parex' operations growth is closely linked to a clear and measurable sustainability agenda. The focus in the short and medium terms is to reduce the corporate carbon footprint from operated assets. The Company aims to lead emission reduction initiatives among E&P companies while it creates value for shareholders and meets the global energy demand.

To meet its greenhouse gas emission reduction goals, Parex is developing new models, processes, and technologies with the objectives of increasing power generation from renewable sources, reducing flaring volumes; and achieving an aspirational net zero goal by 2050.

Parex is committed to transparently disclose its GHG emissions performance, and advancement towards meeting reduction targets and the development of its climate strategy.

GAS PLANT - LLANOS 32 BLOCK
TAURAMENA / CASANARE - COLOMBIA

STRATEGY AND RESULTS

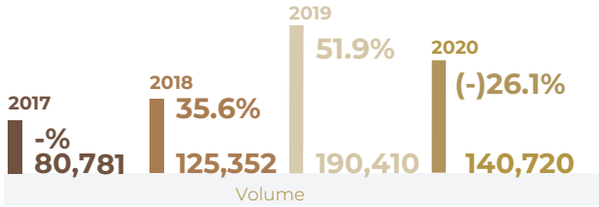
GRI 103-3, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-6, GRI 305-7, OG-6
SASB EM-EP-110a.1, SASB EM-EP-110a.2, SASB EM-EP-110a.3, SASB EM-EP-120a.1

Considering the growing interest of our stakeholders in climate change and its possible consequences, the Board and Management made the decision to evaluate corporate GHG emissions and identify the associated risks and opportunities so as to make timely decisions based on reliable information since 2017.

The calculations of GHG emissions have been prepared by the independent firm Conservación y Carbono S. A. S. and the results have been reported through the CDP. No changes have been made to the criteria for calculating GHG emissions.

Parex complies with current environmental regulations and manages risks associated with emissions and air quality through its ERM system. The Company defines the principles, expectations, and goals in this area as well as the roles and responsibilities of personnel in a manner consistent with ISO 31000 (2017).

GHG DIRECT EMISSIONS
SCOPE 1
METRIC TONS CO_2E



Note: The Operational consolidation control approach was used in the reporting of GHG emissions.

Scope 1 and 2 direct GHG emissions calculations are carried out in accordance with the IPCC Guide (2006) and ISO 14064-1, and Global Warming Potential (GWP) factors, as follows: CO2 = 1; CH4 = 25; N2= 298: CO2 = 1; CH4 = 25; N2= 298. The estimation of GHG emissions were made based on the Emission Factors (EF) for ACPM-Ecopetrol and the IPCC. In the case of biogenic fuels, natural gas, crude oil and diesel, the Colombian Fuels Factors (FECOC) were considered, all of them expressed in kilograms per terajoule (Kg/tj).

The uncertainty of the total GHG inventory for 2020 was estimated at 13.1%. The calculation for each source was conducted in compliance with IPCC 2006 good practices and according to the Conceptual Basis for Uncertainty Analysis and the uncertainties associated with the values reported for each of the default data (data generated in other investigations) that was used.

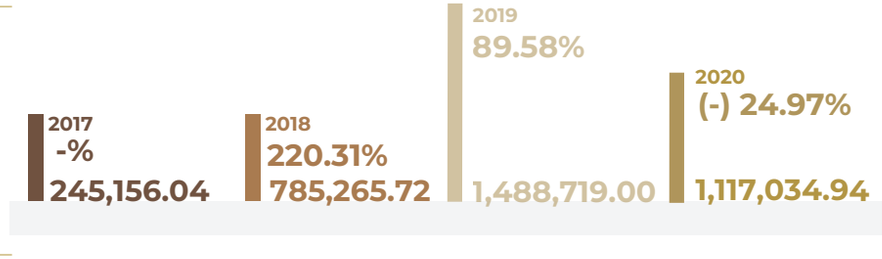
For scope 1 emissions, direct emission sources are taken as reference, including fuel combustion (diesel, gas, crude oil, coesgen (Fuel Oil #4), Liquefied Petroleum Gas (LPG), power generation, flaring, cooling, and fugitive emissions. Their estimates include the following gases: CO2, CH4, N2O, and refrigerant gases.

The baseline for gas flaring calculations is 2017, the same used by the Company to perform the total inventory of greenhouse gases, GHG. The calculation methodology has not changed.

The Company has set a goal of eliminating routine gas flaring (operated field) by 2025, using 2019 figures as a baseline. In 2020, these volumes decreased by 24.9% as a result of the construction of gas plants in the Capachos (Arauca) and Aguas Blancas (Middle Magdalena Valley) blocks.

Likewise, Parex implements several initiatives and develops programs to control emissions in all its operations: construction of flow lines, investment in new equipment, installation of methane gas exhaust detectors in the facilities, change from diesel to gas as fuel in the Company's vehicles, efficiency in process materials and the incorporation of low-carbon.

FLARING
THOUSANDS OF FT^3



MARACAS FIELD
SAN LUIS DE PALENQUE / CASANARE - COLOMBIA

AIR POLLUTION
BY TYPE OF EMISSION

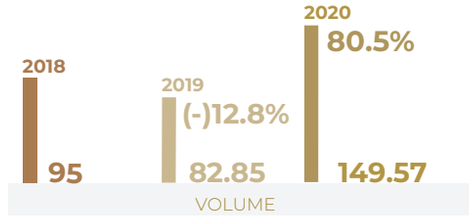
METRIC TONS CO_2e

	2018	2019	2020
COMBUSTION	66,794	83,276	60,442
FUGITIVE	997	1,925	1,548
PROCESS	7	9	24.5
VENTING	6,255	8,790	6,365

In 2020, biogenic CO2 emissions were reduced by 10.3% from 390 to 349.9 metric tons of CO2e.

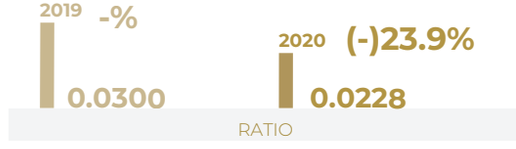
As a result of its direct initiatives, in 2020 Parex not only limited its CO2 emissions to the atmosphere but also stopped emitting 58,470.85 metric tons of CO2e, a figure six times higher than the previous year, going from 8,652.88 metric tons in 2019 to 67,123.73 of CO2e in 2020.

GHG INDIRECT EMISSIONS
SCOPE 2
METRIC TONS CO_2e



Scope 2 GHG estimates are calculated on the energy consumption of the national electrical grid in the Kona, Capachos, Centro and Aguas Blancas fields, in addition to the Company's offices in Bogota and Calgary.

GHG EMISSIONS
INTENSITY RATIO
METRIC TONS CO2e/BOE



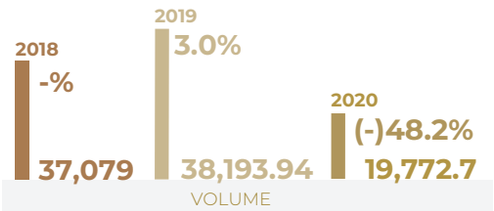
Note: Calculation based on Scope 1 and 2 CO2e emissions,
Calculation parameter (denominator) used = 6,347,566 boe

GHG emissions intensity fell by 23.9% in the last year as a result of the reduction in Scope 1 emissions due to the slower pace of operations during the pandemic as well as initiatives aimed at reducing Parex' carbon footprint.

GHG OTHER EMISSIONS

SCOPE 3

METRIC TONS CO_2e



Scope 3 emissions were reduced by 48.2%, these included gases associated with the use of stationery products, transportation, refrigeration, air conditioning, waste treatment and personnel travel.

AIR EMISSIONS

BY TYPE OF POLLUTANT

METRIC TONS

	2019	2020
NOx	**981.01**	**660.32**
SOx	**563.92**	**339.26**
VOC	**1,321.62**	**1,035.66**

Consistent with the reduction of CO2 emissions from Parex operations, the balance of other significant emissions shows a decrease in the amounts of NOx, SOx and VOC. The Company does not produce or import Ozone Depleting Substances (ODS).

CABRESTERO FIELD
VILLANUEVA / CASANARE - COLOMBIA

WATER STEWARDSHIP

WHY IS THIS A MATERIAL TOPIC?

GRI 103-1

Environmental stewardship of water resources is of key importance for the Company, not only because this valuable resource is present throughout the life cycle of the projects but also because it is a shared resource with the communities and essential for environmental sustainability.

Internal Scope: Parex Senior Management, Vice-Presidency of Operations, Vice Presidency of Environment and Communications, Viability and Environmental Monitoring Management.

External Scope: Authorities, Communities, Contractors, Employees, Customers, Civil society organizations

MANAGEMENT APPROACH

GRI 103-2

Water availability and quality are at the core of the Company's water management model. Parex harmonizes its operational activities with the global environmental efforts to make efficient use of water resources. This requires the optimization of water collection and safe disposal processes free of contaminating or hazardous agents. Communities must have access to water that it is available and suitable for consumption.

STRATEGY AND RESULTS

- GRI 103-3, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 306-1, OG-5
- SASB EM-EP-140a.1

Parex strictly complies with Colombian laws regulating the conditions of access, use and disposal of water. The Company conducts detailed hydrological studies for each project and develops models that allow it to manage the operational, social, and environmental risks that may arise. Its Environmental Impact Assessments (EIA) are consistent with the River Basin Management and Development Plans (Planes de Ordenamiento y Manejo de las Cuencas) (POMCA), which are aimed at integrated management of water, soil, flora, and fauna resources.

Based on these studies, the environmental authorities authorize the Company's water catchment volumes, catchment points and flow rates, as well as the processes for monitoring and managing discharges.

For the second consecutive year, in August 2020, Parex responded to the CDP Water Security Questionnaire to disclose its strategy, its water risk management model, its monitoring procedures and its handling of stakeholder consultation actions.

WATER RISK MANAGEMENT AND MONITORING

Water risk management is the result of monitoring the water use cycle from source to final disposal. The risk assessment procedure is contained in the Risk Management Plan, which is reviewed annually or updated in the environmental licensing process. The drilling, civil works, and facilities contractors, among others linked to the operations, participate in this process.

Through the Inspection, Preventive and Corrective Action Follow-up System, Parex develops a quality water transportation infrastructure and monitors the flow of water to its operations. Field supervisors are responsible for meter calibration and certify that water volumes are used within the parameters authorized by the authorities. The quality of the water collected is analyzed by specialized companies authorized by the Institute of Hydrology, Meteorology and Environmental Studies (Instituto de Hidrología, Meteorología y Estudios Ambientales) (IDEAM).

Parex actively seeks to develop a water saving culture in all its employees. In addition, the Company discusses the risks and impacts associated with water management with the communities near its operations engaging with them so they can report any emergencies and, above all, carries out consultations to meet their needs for access to quality water.

WATER COLLECTION AND CONSUMPTION

■ SASB EM-EP-140a.1

The Company does not withdraw water in water-stressed areas from any of its water sources, including its own and third-party water sources. Furthermore, water is withdrawn from surface and groundwater sources within the limits authorized by authorities. Water withdrawal quality is monitored by certified companies audited by the Institute of Hydrology, Meteorology and Environmental Studies (Instituto de Hidrología Meteorología y Estudios Ambientales) (IDEAM).

In 2020, the volume of water withdrawal in operations decreased by 41.1% due to the decrease in activities and operations during the COVID-19 pandemic, when, including production water, the overall reduction in water use reached 42.13%.

The water catchment systems are certified by specialized third parties. The personnel in charge of environmental and quality management at Parex verifies the quality of the system and ensures that the quantities and quality of the water extracted are within the parameters established in the environmental licenses.

In areas where the extraction of water from natural sources is not the best alternative for the operation, Parex purchases the liquid from duly licensed third parties, provided that such purchase does not affect the services provided to the communities in terms of quality and quantity. In addition, the Company keeps a record of reused water as part of its environmental management program.

In 2020, the Company did not reuse water in its exploration activities. Parex is making efforts to identify opportunities to reduce water consumption and has issued a new water policy this year that aims to create new procedures for water management use, accounting and control as well as achieve water use goals.

WATER WITHDRAWAL
FROM ALL AREAS

(MEGALITERS)

	2018	2019	2020
SURFACE WATER	17.03	63.9	47.47
GROUNDWATER	54.0	35.8	23.44
PURCHASED FROM THIRD PARTIES	54.36	74.0	31.6
PRODUCED (ASSOCIATED WITH THE PROCESS)		7,261.7	4,200.44
TOTAL	-	7,435.4	4,302.95

Note: Surface water includes water captured from rivers, rainwater, and streams (freshwater) according to GRI 303-3 (Version 2018). It includes the amount of rainwater (0.48) + water captured from rivers (46.98) for a total of 47.47 megaliters.

FRESH WATER CONSUMPTION
BY SOURCE

	TOTAL CONSUMPTION M³	TOTAL CONSUMPTION MEGALITERS
SOURCED FROM POOL (SURFACE RAINWATER SOURCE)	480	0.48
SOURCED FROM WELL (UNDERGROUND SOURCE)	23,438	23.438
SOURCED FROM RIVERS (SURFACE SOURCE)	46,987.49	46.98749
SOURCED FROM THIRD-PARTY PROVIDERS	31,602.3	31.6023
TOTAL	102,507.79	102.50779

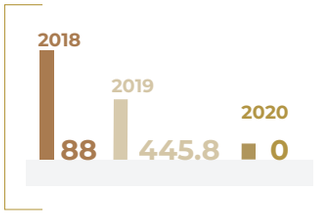
NOTE: "FRESH WATER" (TOTAL DISSOLVED SOLIDS LESS THAN 1,000 MG/L)

OTHER WATER

	TOTAL CONSUMPTION M³	TOTAL CONSUMPTION MEGALITERS
PRODUCED WATER (FORMATION WATER)	4,200,439.25	4,200.44
TOTAL	4,200,439.25	4,200.44

NOTE: "OTHER WATER" (TOTAL DISSOLVED SOLIDS GREATER THAN 1,000 MG/L)

WATER REUSE
(M³/YEAR)



WATER DISCHARGE

GRI 302-2, GRI 303-4, GRI 306-1, GRI 306-5
SASB EM-EP140a.2

Parex does not discharge to surface or groundwater sources in order to protect water bodies, contributing to their conservation and the communities' access to water.

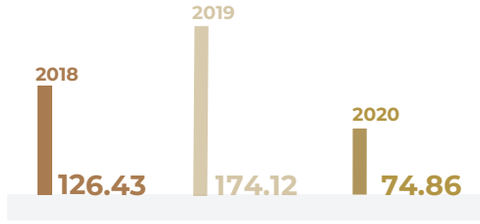
Formation waters related to oil production are used in secondary recovery processes or are re-injected into producing wells or other dedicated wells for final disposal and are monitored according to environmental licenses.

Domestic and industrial wastewater is delivered to specialized, environmentally licensed companies for treatment and final disposal. For this reason, the Company does not breakdown water discharged according to total dissolved solids.

Parex' total water consumption in 2020, that is, the difference between total water withdrawal and total water discharge was 74.86 megaliters, a 57% reduction compared to 2019.

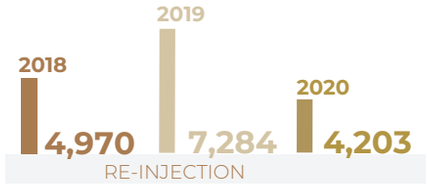
TOTAL WATER CONSUMPTION

(MEGALITERS)



WATER DISCHARGED BY DESTINATION

(MEGALITERS)



	2018	2019	2020
TOTAL	4,970	7,324	4,227.6

CABRESTERO FIELD
VILLANUEVA / CASANARE - COLOMBIA

WASTE MANAGEMENT

■ GRI 301-3, GRI 306-2, OG-7, GRI 306-4

Through its Solid Waste Management Plan, Parex classifies, controls, and disposes of solid waste safely. In 2020, the total weight of hazardous waste generated in its operations amounted to 95,938.51 kilograms and the weight of non-hazardous waste amounted to 1,039,801.78 kilograms. These figures are close to 20% of the total weight of hazardous and non-hazardous waste generated in 2019, as a result of reduced operating activities.

Waste is delivered to licensed third parties for final disposal. The Company documents the delivery of waste through record keeping, exercising control over the disposal processes.

HAZARDOUS WASTE BY TYPE AND DISPOSAL METHOD

(KGS.)

HAZARDOUS	2019	2020
REUSED	-	24,055.39
RECYCLING	53,561	586.10
INCINERATION	76,059	24,356.3
LANDFILL (SAFETY CELL)	78,997	32,011.45
OTHER	440,184	14,929.27

NON-HAZARDOUS	2019	2020
REUSED	-	940,621
RECYCLING	155,049	14,208.64
INCINERATION		0
LANDFILL (SAFETY CELL)	114,101	66,045.04
OTHER	5,205,958	0
COMPOSTING	24,488	18,927.10

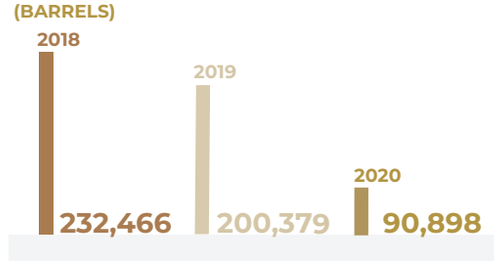
Note: The category "other" hazardous waste includes biological, physical, or chemical disposal.

CUTTINGS AND DRILLING MUDS

■ OG-8

Drilling cuttings and muds are treated through a chemical-biological stabilization process before being delivered to a specialized company, which is responsible for their final disposal. Drilling fluids are also stored in durable tank containment systems that prevent leaks and spills. Once they have been used in operations, they are transported by third parties for proper disposal. Parex prohibits the use of benzene and sulfur in this process.

DRILLING CUTTINGS AND MUDS



BIODIVERSITY

GRI 304-2, GRI 304-3, GRI 304-4, OG-4
SASB EM-EP-160a.1

Using the Precautionary Principle as a basis, Parex adopts responsible precautionary measures to mitigate its environmental impacts while protecting ecosystems, species, and biodiversity. Through the development of its Environmental Impact Assessments and in compliance with its Environmental Licenses, Parex guarantees its operations are developed with full respect for biodiversity and in harmony with the environment. In addition, the Company works in close cooperation with environmental authorities, social organizations, and communities to undertake actions aimed at preserving biodiversity.

Parex maps its environmental surroundings, conducts risk analyses, and implements impact assessments following industry best practices. To prevent its operations from negatively impacting the existing fauna in the area of influence, Parex takes as a reference both the provisions of Resolution 1912 (2017) of the Ministry of Environment and Sustainable Development and the listings of the International Union for the Conservation of Nature, IUCN.

In addition to complying with environmental law regulations, the Company conducts environmental preservation campaigns that include agroforestry development and the repopulation of endangered species.

IN 2020, PAREX INTERVENED IN AN AREA OF 1.58KM² FOR HABITAT RESTORATION IN PROTECTED AREAS.

BIODIVERSITY GAS PLANT - LLANOS 32 BLOCK
TAURAMENA/ CASANARE - COLOMBIA

SPECIES WITH SOME DEGREE OF THREAT IN PAREX' AREAS OF OPERATION

RESOLUTION 1912 (2017) AND IUCN LISTINGS

AGROFORESTRY SYSTEMS

In 2020, for the second consecutive year, Parex continued its environmental rehabilitation of damaged land program in the municipalities of Nunchía, Paz de Ariporo, Pore, San Luis de Palenque, Trinidad, Villanueva and Yopal, in the department of Casanare. Through an alliance with the National Environmental Licensing Authority (Autoridad Nacional de Licencias Ambientales) (ANLA), the Orinoquia Regional Autonomous Corporation (la Corporación Autónoma Regional de la Orinoquía) (Corporinoquia), and the National Federation of Cocoa Growers (la Federación Nacional de Cacaoteros) (FEDECACAO), the Company continued to advance its goal of planting 400 hectares of native tree species for biodiversity conservation and as plant shade for cocoa plants, benefiting 200 farming families.

AGROFORESTRY SYSTEMS
CASANARE- COLOMBIA

"SABANERA" (SAVANNA) TURTLES
ARAUCA / ARAUCA - COLOMBIA

REPOPULATION OF "SABANERA" (SAVANNA) TURTLES

For the third consecutive year, Parex contributed to the repopulation of water bodies in the eastern plains of Colombia by releasing 500 savanna turtles. This activity took place in the Olmedillo stream of the Macuate reserve, located in the La Saya de Arauca district in the department of Arauca.

EFFICIENT ENERGY USE

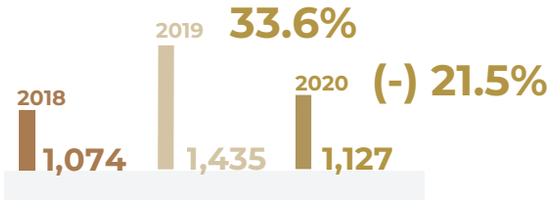
GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4

Energy is a key resource in oil and gas exploration and production activities and is also essential for the well-being and sustainable development of communities. For this reason, Parex explores new opportunities to efficiently access and manage energy to improve the balance between renewable and non-renewable sources and reduce its environmental footprint.

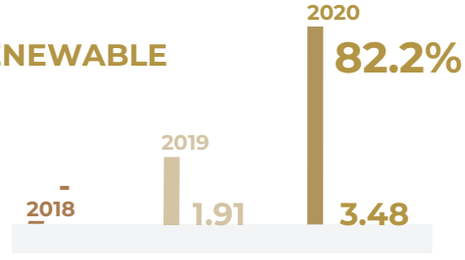
ENERGY CONSUMPTION WITHIN THE ORGANIZATION BY SOURCE

TERAJOULES

NON-RENEWABLE



RENEWABLE

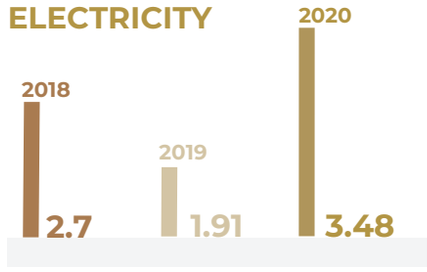


We had a decrease in energy consumption from non-renewable sources by 21.5% in 2020 compared to 2019. This is the result of using electric power from the national electrical grid service to replace diesel fuel in operations. In addition, the vapor recovery units installed by Parex have been used for self-generation, with an increase of 47.8%, reaching 54.7 terajoules in 2020 compared to the previous year.

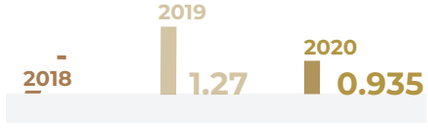
ENERGY CONSUMPTION BY TYPE

TERAJOULES

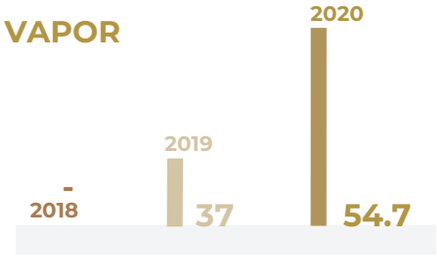
ELECTRICITY



HEATING



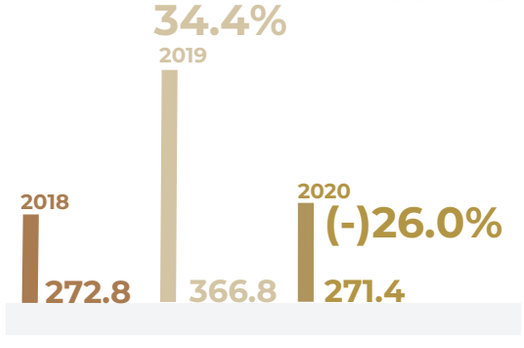
VAPOR



Total energy consumption was reduced by 26% as a result of the temporary suspension of some activities during the pandemic as well as efficiencies and improvement initiatives undertaken by the Company.

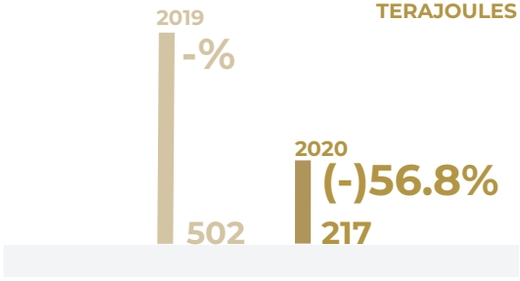
TOTAL ENERGY CONSUMPTION WITHIN THE ORGANIZATION

TERAJOULES



Within the framework of its integrated HSEQ policy, Parex reduced its off-site energy consumption by 56.8%, consistent with its efforts to reduce GHG Scope 3 emissions. For the calculation of this consumption, conversion factors such as the net calorific value (TJ/fuel unit) were used, as defined by the Mining and Energy Planning Unit (Unidad de Planeación Minero Energética) (UPME), attached to the Ministry of Mines and Energy, through its FECOC (Fuels Emission Factors) (Factores de Emisión de los Combustibles) tool.

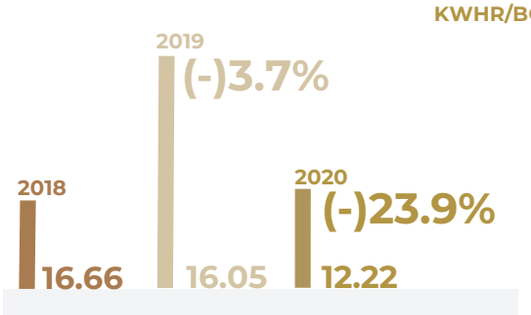
TOTAL ENERGY CONSUMPTION WITHIN THE ORGANIZATION



For the first time, in this report Parex presents the calculated reduction in energy consumption achieved as a direct result of conservation and efficiency initiatives of 6.17 terajoules. This figure will serve as a baseline for estimating its future contribution to sustainable energy management.

Similarly, for the second consecutive year, the Company reduced its energy intensity ratio by 23.9%.

ENERGY INTENSITY RATIO WITHIN THE ORGANIZATION



PAREX' BEST PRACTICES

DURING 2020, PAREX CONTINUED TO IMPLEMENT ITS BEST SOCIAL AND ENVIRONMENTAL PRACTICES.

PAREX WILL CONTINUE TO REACH OUT TO COMMUNITIES BY BUILDING TRUST, GENERATING SHARED BENEFITS, AND DEMONSTRATING THE POSITIVE IMPACT ITS PROJECTS HAVE ON THE TERRITORIES WHERE IT OPERATES.

SIMÓN BOLÍVAR HOSPITAL

Between 2020 and 2021, the Company completed the renovation of the burns unit and pediatric emergency room at the Simón Bolívar Hospital in Bogotá (Colombia). Besides renovating and upgrading 1,700 m^2 of the Hospital's infrastructure, Parex also donated more than twelve specialized medical equipment for burns treatment.

Parex made this donation as part of the celebration of its 10th anniversary in Colombia and as a token of gratitude to the country. It amounted to COP $5,909 million (USD $1.6 million). The carrying out of the project was possible thanks to the close collaboration with the Simón Bolívar Hospital and city health authorities. The main achievements of this initiative include:

- Renovation and upgrading of the entire Burns Unit of the Hospital, which is the epicenter of burns treatment in Colombia and treats severely burned individuals from other countries in the region. This includes:
  - o Renovation, upgrading, and expansion of Burns Intensive Care Unit (from 10 to 18 rooms with highest standards).
  - o Renovation and upgrading of Intermediate Care Burns Unit (from collective rooms to 22 individual rooms).
  - o The acquisition of specialized medical equipment.
- Improvement of the Pediatrics Emergency Room by relocating the Pathology Area, which was also improved, and upgrading the Pediatrics Emergency Room area and furniture.

It is worth mentioning that the last two phases of infrastructure renovation were carried out during the Covid-19 pandemics and the Simón Bolivar Hospital was one of the city's epicenters of Covid-19 treatment. However, due to the rigorous observation of biosecurity protocols, civil works were carried out without incidents.

WORKS FOR TAXES
2018 – 2021

WORK FOR TAXES PROGRAM
TAME / ARAUCA - COLOMBIA

In 2018, Parex was the first company in the country to deliver a local development project under the program Obras por Impuestos (Works for Taxes), created by the Colombian Government in 2017. In the last two years, the company has developed projects for nearly COP $34.000 million (USD $9.21 million). These projects have benefited more than 70,000 people in Tame, Saravena, Arauca, and Aguachica. These are among the municipalities that the Colombian government has classified as most affected by armed conflict.

Parex's work through Obras por Impuestos has focused on education and water. In developing these projects, the company has worked in close coordination with national and local authorities.

In 2020 Parex Resources developed an education project for more than COP $5,800 million (USD $1.57 million). It benefited 16,000 students in 51 schools in both rural and urban areas of the municipalities of Saravena (3), Arauca (4), and Tame (44).

Currently, the Company is managing the following three projects with a 2021 target completion date:

• Construction of a Drinking Water Treatment Plant (Planta de Tratamiento de Agua Potable) (PTAP) in urban Tame that will benefit 35,000 people. This project costs COP $6,960 million (USD $1.88 million).

• Construction of an aqueduct in rural Tame that includes 70 km of pipelines and will benefit more than 2,000 people. This project costs COP $8,340 million (USD $2.26 million).

• I.T supplies and training to enhance public education in 44 schools of both rural and urban Aguachica (Cesar). This is a pilot project aimed at shifting I.T use in public education in the country. It costs COP $13,092 million (USD $3.54 million) millions and benefits more than 14.500 students

"AGUA PARA TODOS" (WATER FOR ALL)

Parex continues to make progress in the Agua para Todos (Water for All) program. During the last three years the Company has managed to improve access, quality, and coverage of drinking water for close to 20,000 people in the departments of Casanare, Arauca, Cesar, Santander, Magdalena, Tolima, and Meta, with an investment of approximately COP $3,525 million (USD $954,425.5).

WATER FOR ALL PROGRAM
MAGDALENA - COLOMBIA

2020 AGUA PARA TODOS (WATER FOR ALL): CASANARE, META Y TOLIMA

PLACE	PROJECTS	DESCRIPTION	BENEFICIARIES
MATA DE LA URAMA, TAURAMENA/CASANARE	Water improvement kits	Installation of water purification kits, which use physicochemical processes to convert wastewater from nearby wells into clean water suitable for human consumption. Some of the kits are powered by solar energy.	175 FAMILIES
	Installation of a drinking water treatment plant in the educational institution of the village	Installation of a drinking water treatment plant and a cold-water dispenser, improving water conditions for students.	90 STUDENTS
PACHAQUIARO, PORT LÓPEZ/META	Construction of a deep well and installation of a treatment plant	The construction of the deep well and the installation of the treatment plant provided quality water to the inhabitants of Pachaquiaro. The municipal government of Puerto López oversaw improving the elevated tank and adapting the pipes that carry the water to the homes.	2,200 INHABITANTS
ALVARADO/TOLIMA	Improvement of the water treatment plant of the municipal aqueduct	Together with the municipal government of Alvarado, Parex improved the municipal aqueduct water treatment plant by cleaning and washing the filters. The project included changing the filter beds and the sluice gates of the sedimentation and filtration tanks.	5,000 INHABITANTS

The Company created the Agua para Todos program as a strategic commitment to the development of sustainable environments for the benefit of the communities and the operations. Between 2017 and 2020, Parex developed projects such as the construction of 42 kilometers of water distribution networks, drilling of 3 deep wells, installation and improvement of 95 tanks, 22 water purification plants, 16 water dispensers, 175 filters, 22 sanitary and bathroom fixtures and training of 350 children by Capitan Agua (Captain Water) on the importance of sustainable and responsible water conservation practices.

WATER FOR ALL PROGRAM
CASANARE - COLOMBIA

PLAN PADRINO REACHED THE HIGHEST FIGURE IN DONATIONS DURING 2020

Parex' Plan Padrino program is about to celebrate a decade of existence, demonstrating that solidarity and social responsibility actions can be assumed from a corporate and individual vision in order to positively impact the communities that are part of the areas of influence of its operations.

With a record number of donations and a greater scope in people benefitted, during 2020 Parex managed to transform the history of four families in the municipality of Plato, Magdalena, through the delivery of built and fully equipped houses.

The Restrepo, Tapia, Novoa and Guerrero families received their new homes with great joy, expressing their gratitude to the Company. "I feel very happy, and I am very grateful to the people who put their grain of sand to accomplish this, it's a great blessing. Tomorrow, we will have a new dawn in a decent home," said Cristina Novoa, one of the 13 people who benefitted from this program.

Between 2011 and 2020, the Company has provided a total of 13 homes in the departments of Arauca, Casanare, Santander, and Magdalena. It should be noted that Plan Padrino is a program that is conducted with voluntary contributions from employees of Parex Bogota and Calgary as well as some contractors, who in an act of generosity join efforts to significantly improve the quality of life of families in need.

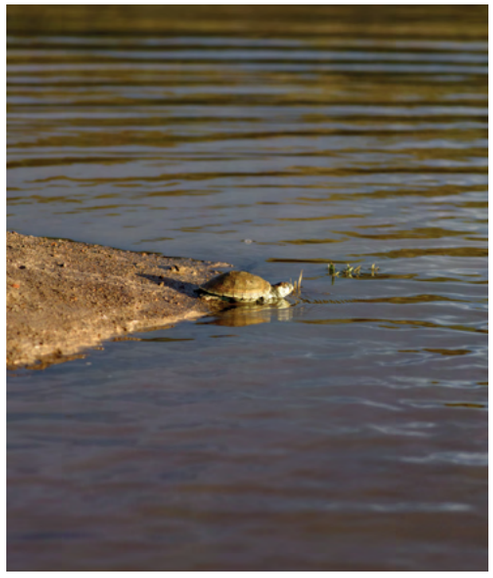
Daniel Ferreiro, President & Country Manager of Parex' Colombia, shared: "We want to show that Parex is built by people who show solidarity, we want to be an active neighbour in the territory, fulfilling and contributing to those who have trusted us and our work. We are convinced that there is a deep connection between the success of our operations and the improvement of the quality of life and development of the communities located there."

COMMITMENT TO SUSTAINABILITY IN THE EASTERN PLAINS OF COLOMBIA

In 2020, Parex continued developing initiatives, such as repopulating bodies of water, for the preservation of fauna, environmental protection, and the preservation of biodiversity in the regions where it operates. The Company once again participated in the release of 500 Galapagos and Savanna turtles that traveled from Paz de Ariporo (Casanare) to the La Victoria farm in the La Saya de Arauca (Arauca) district.

This activity was carried out in the Olmedillo stream of the Macuate reserve in joint effort with the La Esperanza Natural Reserve, the Orinoquia Regional Autonomous Corporation (CORPORINOQUIA), the Arauca municipal government and the Center for the Development of the Cajón del Capanaparo Sustainable System Foundation (Eje para el Desarrollo del Sistema Sostenible Cajón del Capanaparo Foundation) (FEDEC).

Libia Parales, representative of the La Esperanza Nature Reserve, the headquarters of the Huella Galápaga program that has been caring for the species in the reserve for more than 12 years, shared: "Together we traveled 407 km to release this species. Thanks to Parex, we have made progress in the research and repopulation of these turtles, sharing in this beautiful experience". The Huella Galápaga program has been conducting research and applying natural methods for the conservation and protection of turtle eggs.



OTHER LABOUR INDICATORS

GRI 102-8, GRI 202-2, GRI 401-1, GRI 401-3

2020 Information on Employees and Other Workers	
Total number of employees Canada & Colombia	348
Total number of female employees Canada & Colombia	114
Total number of male employees Canada & Colombia	234
Total number of employees Colombia	297
Total number of employees Canada	51
Total number of female employees Colombia	93
Total number of male employees Colombia	204
Total number of female employees Canada	21
Total number of male employees Canada	30
Total number of temporary employees Canada & Colombia	4
Total number of temporary employees Colombia	2
Total number of temporary employees Canada	2
Total number of temporary female employees Canada & Colombia	4
Total number of temporary male employees Canada & Colombia	0
Total number of temporary female employees Colombia	2
Total number of temporary male employees Colombia	0
Total number of temporary female employees Canada	2
Total number of temporary male employees Canada	0
Total number of employees Bogota	220
Total number of employees Yopal	51
Total number of employees Barranca	17
Total number of employees Tame	9
Total number of temporary employees Bogota	2
Total number of temporary employees Yopal	0
Total number of temporary employees Barranca	0
Total number of temporary employees Tame	0
Total number of employees on permanent contract Canada & Colombia	100%
Total number of employees on permanent contract Colombia	100%
Total number of employees on permanent contract Calgary	100%
Total number of employees under 30 years old Canada & Colombia	39
Total number of employees between 31 and 50 years old Canada & Colombia	262
Total number of employees over 51 years old Canada & Colombia	47
Total number of employees under 30 years old Colombia	36
Total number of employees between 31 and 50 years old Colombia	226
Total number of employees over 51 years old Colombia	35
Total number of employees under 30 years old Canada	3
Total number of employees between 31 and 50 years old Canada	36
Total number of employees over 51 years old Canada	12

Total number of new hires and employee turnover	
Total number of new hires Canada & Colombia	22 (6.32%)
Total number of new female hires Canada & Colombia	8 (2.30%)
Total number of new male hires Canada & Colombia	14 (4.02%)
Total number of new hires under 30 years old Canada & Colombia	3 (0.86%)
Total number of new hires between 31 and 50 years old Canada & Colombia	17 (4.89%)
Total number of new hires over 51 years old Canada & Colombia	2 (0.57%)
Total number of new hires Colombia	15 (4.31%)
Total number of new female hires Colombia	3 (0.86%)
Total number of new male hires Colombia	12 (3.45%)
Total number of new hires under 30 years old Colombia	2 (0.57%)
Total number of new hires between 31 and 50 years old Colombia	12 (3.45%)
Total number of new hires over 51 years old Colombia	1 (0.29%)
Total number of new hires Bogota	12 (3.45%)
Total number of new hires Yopal	3 (0.86%)
Total number of new hires Barranca	0 (0%)
Total number of new hires Tame	0 (0%)
Total number of new hires Canada	7 (2.01%)
Total number of new male hires Canada	2 (0.57%)
Total number of new female hires Canada	5 (1.44%)
Total number of new hires under 30 years old Canada	1 (0.29%)
Total number of new hires between 31 and 50 years old Canada	5 (1.44%)
Total number of new hires over 51 years old Canada	1 (0.29%)
Total number of employee turnover Colombia	12 (3.45%)
Total number of female employee turnover Colombia	2 (0.57%)
Total number of male employee turnover Colombia	10 (2.87%)
Total number of employee turnover Bogota	10 (2.87%)
Total number of employee turnover Yopal	2 (0.57%)
Total number of employee turnover Barranca	0 (0%)
Total number of employee turnover Tame	0 (0%)

*The values included in parentheses correspond to the rate of each indicator.

Total number of employee turnover under 30 years old Colombia	2 (0.57%)
Total number of employee turnover between 31 and 50 years old Colombia	9 (2.59%)
Total number of employees turnover over 51 years old Colombia	1 (0.29%)
Total number of employee turnover Canada	1 (0.29%)
Total number of female employee turnover Canada	1 (0.29%)
Total number of male employee turnover Canada	0 (0%)
Total number of employee turnover under 30 years old Calgary	0 (0%)
Total number of employee turnover between 31 and 50 years old Calgary	1 (0.29%)
Total number of employees turnover over 51 years old Calgary	0 (0%)
Total number of employee turnover Canada & Colombia	13 (3.74%)
Total number of female employee turnover Canada & Colombia	3 (0.86%)
Total number of male employee turnover Canada & Colombia	10 (2.87%)
Total number of employee turnover under 30 years old Canada & Colombia	2 (0.57%)
Total number of employee turnover between 31 and 50 years old Canada & Colombia	10 (2.87%)
Total number of employee turnover over 51 years old Canada & Colombia	1 (0.29%)

Employee turnover rate Canada & Colombia	3.74%
Employee turnover rate Colombia	3.45%
Employee turnover rate Canada	0,29%

Employees by employment category and level Canada & Colombia	
Total number of administrative level employees	24
Total number of professional level employees	108
Total number of junior professional level employees	22
Total number of junior technical professional level employees	15
Total number of senior level employees	16
Total number of management level employees	25
Total number of senior management level employees	1
Total number of senior professional level employees	39
Total number of senior technical professional employees	38
Total number of technical professional level employees	47
Total number of Vice-president level employees	5
Total number of senior Vice-president level employees	6
Total number of CEO & President level employees	2

Total number of senior management hired from the local comunity (Colombia: President and Senior Vice-President)	0

Total number of female employees that were entitled to parental leave Canada & Colombia	11
Total number of male employees that were entitled to parental leave Canada & Colombia	10
Total number of female employees that returned to work after parental leave in 2020	9
Total number of male employees that returned to work after parental leave in 2020	10
Total number of male employees that returned to work after parental leave and are still employed 12 months after	10
Total number of female employees that returned to work after parental leave and are still employed 12 months after	9
Percentage of male employees that returned to work after parental leave	100%
Percentage of female employees that returned to work after parental leave	100%

FORMACIÓN Y ENSEÑANZA	
Total number of hours of training Colombia	25,685
Average hours of training Colombia	86.48
Average hours of training for females Colombia	97.75
Average hours of training for males Colombia	82.23
Total hours of training for females Colombia	8,003
Total hours of training for male Colombia	16,692
Total number of technical and professional hours of training for females Colombia	4,737
Total hours of English training for females Colombia	1,999
Total number of technical and professional hours of training for males Colombia	9,797
Total hours of English training for males Colombia	3,558
Financial support for training or education Canada	284,155
Financial support for training or education Colombia	151,778

Percentage of employees receiving regular performance and professional development evaluations Colombia and Canada	100%

Diversity in governing bodies and employees Board of Directors Men	7 (78%)
Diversity in governing bodies and employees Board of Directors Women	2 (22%)

Total number of discrimination cases and corrective actions taken	0

**Parex considers the category "senior executives" as corresponding to the positions of CEO, President and Senior Vice President. In addition, in this specific indicator, "local" refers to Colombia and not to the area of influence of the operations.

GRI TABLE

GRI 102-55

General Disclosures

Universal Standards

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Topic Standards

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GRI 102-55

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Environment		Disclosure number	Name of the indicador	Page
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GRI 302	Energy	302-1	Energy consumption within the organization	70
		302-2	Energy consumption outside of the organization	66, 70
		302-3	Energy intensity	70
		302-4	Reduction of energy consumption	66, 70
GRI 303	Water and Efluents	Material Topic	Water stewardship	62
		103-1	Explanation of material topic and its boundary	62
		103-2	Management approach and its components	62
		103-3	Evaluation of the management approach	63
		303-1	Interactions with water as a shared resource	63
		303-2	Management of water discharge-related impacts	63
		303-3	Water withdrawal	63
		303-4	Water discharge	63
		303-5	Water consumption	63
GRI 304	Biodiversity	304-2	Significant impcts of activities, products, and services on biodiversity	68
		304-3	Habitats protected and restored	68
		304-4	IUCN Red List species and natural conservation list species with habitats affected by operations	68
GRI OG		OG-4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	68
GRI 305	Emissions	Material Topic	GHG house gas emissions climate strategy	58
		103-1	Explanation of material topic and its boundary	58
		103-2	Management approach and its components	58
		103-3	Evaluation of the management approach	59
		305-1	Direct (Scope 1) GHG emissions	59
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		305-3	Other indirect (Scope 3) GHG emissionsGHG emissions intensity	59
		305-4	GHG emissions intensity	59
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GRI OG		OG-6	Volume of flared and vented hydrocarbon	59
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		306-5	Water bodies affected by water discharges and/or runoff	66
GRI OG		OG-5	Volume of formation water produced	63
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GRI 307	Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	29
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GRI 308	Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	57

Society

Society		Disclosure number	Name of the indicador	Page
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		103-1	Explanation of material topic and its boundary	44
		103-2	Management approach and its components	44
		103-3	Evaluation of the management approach	45
		401-1	New employee hires and employee turnover	45,78
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45,48
		401-3	Parental leave	78
GRI 403	Occupational Health and Safety	Material Topic	Health and safety	50
		103-1	Explanation of material topic and its boundary	50
		103-2	Management approach and its components	50
		103-3	Evaluation of the management approach	51
		403-1	Occupational health and safety management system	51
		403-2	Hazard identification, risk assessment, and incident investigation	51,54
		403-3	Occupational health services	54
		403-4	Wroker participation, consultation, and communication on non-occupational health and safety	51,55
		403-6	Promotion of worker health	54
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53
		403-8	Workers covered by an occupational health and safety management system	51
		403-9	Work-related injuries	54
		403-10	Work-related ill health	54
GRI 404	Training and education	404-1	Average hours of training per year per employee	47
		404-2	Programs for upgrading employees skills and transition assistance programs	47
		404-3	Oercentage of employees receiving regular performance and career development reviews	47
GRI 405	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	78
GRI 406	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	47
GRI 407	Freedom of Association & Collective Bargaining	407-1	Operations and suppliers in which the right of freedom of association and collective bargainig may be at risk	29
GRI 408	Child Laor	408-1	Operations and suppliers at significant risk for incidents of child labor	29
GRI 409	Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsoy labor	29
GRI 410	Security Practices	410-1	Security personnel trained in human rights policies or procedures	41
GRI 411	Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	41
GRI 412	Human Rights Assessment	Material Topic	Human Rights and Rights of Indigenous Peoples	40
		103-1	Explanation of material topic and its boundary	40
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		103-3	Evaluation of the management approach	41
		412-2	Employee training on human rights policies or procedures	42
GRI 413	Local communities	Material Topic	Community Investment and Relations	36
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		103-2	Management approach and its components	36
		103-3	Evaluation of the management approach	37
		413-1	Operations with local community engagement, impact assessments, and development programs	38,39
		Own	Social investment	37
		Own	Active and existent local employment opportunities	14,39
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GRI OG		OG-10	Number and description of significant disputes with local communities and indigenous peoples	38
GRI 415	Public Policy	415-1	Political contributions	26
GRI 418	Customer Privacy	418-1	Substantiated compaints concerning breaches of customer privacy and losses of customer data	29
GRI 419	Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	29

SASB TABLE 2020

SASB Sustainability Disclosure Topics & Accounting Metrics 2020

SASB Disclosures	Description	Unit of measure	2020	
Greenhouse Gas Emissions				
EM-EP-110a.1	Scope 1 - Gross direct GHG emissions	Metric tons of CO_{2-e}	262,981.9	Note 1
EM-EP-110a.1	% methane	Percentage	19%	
EM-EP-110a.1	% covered under emissions-limiting regulations	Percentage	n.d.	
	Scope 1 - Gross direct GHG emissions by source			
EM-EP-110a.2	Flared emissions	Metric tons of CO_{2-e}	39,688.6	
EM-EP-110a.2	Combustion emissions	Metric tons of CO_{2-e}	177,734.8	
EM-EP-110a.2	Fugitive emissions	Metric tons of CO_{2-e}	1,580.3	
EM-EP-110a.2	Process emissions	Metric tons of CO_{2-e}	23.9	
EM-EP-110a.2	Vented emissions	Metric tons of CO_{2-e}	43,955.1	
EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	2020 Sustainability Report	Pgs. 57 - 60	
Air Quality & Other Emissions				
EM-EP-120a.1	NO_X	Metric tons	660.32	
EM-EP-120a.1	SO_X	Metric tons	339.26	
EM-EP-120a.1	VOCs	Metric tons	1,035.66	
	PM	Metric tons	Not determined for the scope of this disclosure	
Water and Wastewater Management				
EM-EP-140a.1	Total fresh water withdrawn	Megalitres	4,302.95	
EM-EP-140a.1	Total fresh water consumed	Megalitres	74.86	
EM-EP-140a.1	% of fresh water withdrawn in region with high or extremely high baseline water stress	Percentage	0	
EM-EP-140a.1	% of fresh water consumed in region with high or extremely high baseline water stress	Percentage	0	
EM-EP-140a.2	Volume of produced water	m^3/year	4,203,467.136	
EM-EP-140a.2	% Discharged	Percentage	0	
EM-EP-140a.2	% Injected	Percentage	100	
EM-EP-140a.2	% Recycled	Percentage	0	
EM-EP-140a.2	Hydrocarbon content in discharged water	Metric tons	15.19	
EM-EP-140a.2	Flowback generated	m^3/year	0	
EM-EP-140a.2	% Discharged	Percentage	0	
EM-EP-140a.2	% Injected	Percentage	0	
EM-EP-140a.2	% Recycled	Percentage	0	
EM-EP-140a.2				
EM-EP-140a.3	% of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage	0	
EM-EP-140a.4	% e of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Percentage	0	
Biodiversity Impacts				
EM-EP-160a.1	Description of environmental management policies and practices for active sites	2020 Sustainability Report	Pgs. 68 - 69	
Number and aggregate volume of hydrocarbon spills				
	Number of spills			
EM-EP-160a.2	Operations	Number	0	
EM-EP-160a.2	Transportation	Number	0	

	Volume of spills			
	Operations	Barrels	0	
EM-EP-160a.2	Transportation	Barrels	0	
EM-EP-160a.2	Volume in Artic - not properties in Artic	Barrels	0	
EM-EP-160a.2	Volume impacting shorelines with ESI rankings	Barrels	0	
EM-EP-160a.2	Volume recovered	Barrels	0	
	Percentage of			
EM-EP-160a.3	Proved reserves in or near sites with protected conservation status or endangered species	Percentage	99.81	Note 2
EM-EP-160a.3	Probable reserves in or near sites with protected conservation status or endangered species	Percentage	99.83	
Security, Human Rights & Rights of Indigenous Peoples				
	Percentage of			
EM-EP-210a.1	Proved reserves in or near areas of conflict	Percentage	5.38	
EM-EP-210a.1	Probable reserves in or near areas of conflict	Percentage	5.61	
	Percentage of			
EM-EP-210a.2	Proved reserves in or near areas indigenous land	Percentage	5.38	
EM-EP-210a.2	Probable reserves in or near areas indigenous lar	Percentage	5.61	
EM-EP-210b.1	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	2020 Sustainability Report	Pgs. 40 - 43	
Community Relations				
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	2020 Sustainability Report	Pgs. 36 - 39	
EM-EP-210b.2	Number of non-technical delays	Number	21	
Workforce Health and Safety (Colombia only)				
	Total recordable incident rate (TRIR)			
EM-EP-320a.1	Employees	events/hour	0	
EM-EP-320a.1	Contractors	events/hour	0.21	
EM-EP-320a.1	**Total**	events/hour	0.18	
EM-EP-320a.1	Near miss frequency rate (NMFR)	events/hour	1.32	
	Fatality			
EM-EP-320a.1	Rate	events/hours	0	
	Number of fatalities			
EM-EP-320a.1	Employees	Number	0	
EM-EP-320a.1	Contractors	Number	0	
EM-EP-320a.1	Total Number of fatalities (employees and contra	Number	0	
EM-EP-320a.1	Number of 3rd Party Fatalities	Number	0	
	Average hours of health, safety, and emergency response training			
EM-EP-320a.1	Full-time employees	Hours	13	
EM-EP-320a.1	Contract employees	Hours	0.36	
EM-EP-320a.1	Short-service employee	Hours	0	
EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	2020 Sustainability Report	Pgs. 50 - 54	

Reserves Valuation and Capital Expenditure			
EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Million barrels	In progress
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Million barrels	In progress
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	USD	In progress
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	2020 Sustainability Report	Pg. 33
Business Ethics and Transparency			
	Percentage of		
EM-EP-510a.1	Proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage	0
EM-EP-510a.1	Probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage	0
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	2020 Sustainability Report	Pgs. 24 - 29 **Note 3**
Management of the Legal & Regulatory Environment			
EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	2020 Sustainability Report	Pg. 29
Critical Incident Risk Management			
EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Rate	0
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	2020 Sustainability Report	Pgs. 31, 54
Activity Metrics			
	Production of		
EM-EP-000.A	Oil	Barrels per day	46,518
EM-EP-000.A	Natural Gas	Million standard cubic feet per d	7,800
EM-EP-000.B	Number of offshore sites	Number	0
EM-EP-000.C	Number of terrestrial sites (Colombia)	Number	24
EM-EP-000.C	Llanos Basin	Number	14
EM-EP-000.C	Lower Magdalena Basin	Number	2
EM-EP-000.C	Middle Magdalena Basin	Number	6
EM-EP-000.C	Upper Magdalena	Number	2

Note 1: Gross scope 1 GHC emissions were calculated using financial control methodology

Note 2: Parex incorporates the areas of ecological importance or of special categories for all its projects through the zoning in the environmental studies, which have restriction categories that prevent the development of activities. In this sense, it can be ensured that Parex's present, past or future activities are not developed on areas of importance for biodiversity classified according to the International Union for Conservation (IUCN), areas declared as world heritage by UNESCO, nor park areas or special exclusion categories difined by Colombian legislation.

Note 3: The Company has policies, including the Anti-corruption and Anti-bribery policy, in place to prevent any form of corruption or bribery, which includes enforcement of policies against giving or accepting money or gifts in certain circumstances and an annual certification from all employees confirming that they received and understood the Company's anticorruption policies.

UN GLOBAL COMPACT
COMMUNICATION ON PROGRESS (COP)

In 2020, Parex joined the United Nations Global Compact. It was an important step in the Company's sustainability journey. Below, Parex reports for 2020 on the Company's management of and progress on the aspects related to the Global Compact's ten principles.

Global Compact Principles	Progress
1. Companies must support and respect the protection of fundamental Human Rights, internationally recognized, within their sphere of incidence. 2. Companies must ensure that they do not participate in the violation of Human Rights.	Parex' Human Rights corporate policy is based on the Universal Declaration of Human Rights and the principles established in the Fundamental Principles and Rights at Work (1998) of the International Labor Organization (ILO). For the implementation of its commitment to Human Rights, the Company takes the United Nations Guiding Principles on Business and Human Rights as its main reference. Access Parex Human Rights Policy Parex' commitments on human rights, contained in the policy, apply to its entire value chain. In 2020, the Company began a pilot exercise to include classification criteria associated with Human Rights in its current PQR mechanism (Petitions, Complaints and Claims). Also, Parex carried out in 2020 a virtual training exercise with 98% of its direct employees in Colombia to contribute to a greater understanding of Human Rights within the Organization and to raise awareness among officials regarding individual and corporate commitment. See additional information on Human Rights and Rights of Indigenous Peoples in the 2020 Sustainability Report (Pages 40-43).
3. Companies must respect freedom of association and the effective recognition of the right to collective bargaining. 4. Companies must support the elimination of all forms of forced or compulsory labor. 5. Companies must support the effective abolition of child labor. 6. Companies must support he abolition of discriminatory practices in employment and occupation.	Parex' corporate policy on Human Rights takes the principles established in the Fundamental Principles and Rights at Work (1998) of the International Labor Organizations (ILO) as one of its references. The Policy also includes specific commitments regarding: 1) Labor practices in accordance with the provisions of the ILO, both in the Company and its contractors. 2) Rejection and prevention of all forms of forced labor, exploitation of children and child labor. 3) Equitable treatment of all people, regardless of race, ethnicity, gender, sexual orientation, or political affiliation. The Company complies with the country's regulations of operations in matters of employment and labor relations, as well as with international pacts and agreements signed by the government, and guides its actions and that of its contractors and suppliers through the Code of Conduct and Ethics. Access Parex Code Conduct and Ethics Within the framework of the ESG Governance structure established in 2020, Parex' Board of Directors delegated the supervision of Human Talent management to the HR and Compensation Committee. Through the labor audits that Parex carries out on contractor companies, the Company supervises compliance with the applicable rules and regulations as well as good sector practices, and any non-compliances are corrected. During 2020, the Company did not identify in its operations or suppliers' risks related to the right to association and collective bargaining, or significant risks of cases of child labor or forced or compulsory labor. Parex has a policy for reporting misconducts and a reporting channel within its Corporate Whistleblower Program. Through this, any breach of the Code of Conduct and Ethics or breach of the law can be reported, ensuring confidentiality and non-retaliation. www.ethicpoints.com Access Parex Whistleblower Policy. See additional information under the Human Capital section of the 2020 Sustainability Report (Pages 44 to 49)

7. Companies must maintain a preventive approach that favors the environment. 8. Companies should encourage initiatives that promote greater environmental responsibility. 9. Companies should favor the development and diffusion of environmentally friendly technologies.	Preventing pollution and promoting conservation, care and protection of the environment, making responsible use of natural resources and managing the impacts of operations to mitigate climate change, protect biodiversity and ecosystems, are the axes of environmental performance by Parex. To fulfil these commitments, the Company has the Enterprise Risk Management System (ERM), which covers all its operations. Parex' environmental strategy is based on strict compliance with environmental legislation and the parameters established by the authorities in their environmental licenses and permits, on the adoption of globally accepted standards and the application of the best sector practices. At the direction of senior management, the Company carries out routine inspection, monitoring evaluation and reporting activities to ensure the successful implementation of the applicable strategy and policies, as well as the emergency response plan. Quarterly, management reports to the Board of Directors through the Health, Safety, Environment and Reserves Committee. Parex has declared its aspirational ambition to become a net zero (Scopes 1 & 2 emissions) Company by 2050 and to do so, it has carried out initiatives and measured its performance with rigorous metrics since 2017. As a result of its initiatives, in 2020 Parex not only limited its CO2 emissions to the atmosphere, but also stopped emitting 58,470.85 metric tons of CO2e, a figure six times higher than the previous year, decreasing from 8,652.88 metric tons in 2019 to 67,123.73 of CO2e in 2020. See additional information within the Environment section of the 2020 Sustainability Report (Pages 57 to 71).
10. Businesses should work against corruption in all its forms, including extortion.	In addition to being subject to anti-bribery laws in the jurisdictions where the Company is present, Parex has a Corporate Anti-Bribery and Anti-Corruption Policy. It prohibits directors, officers, employees, consultants and anyone acting on their behalf from participating in or tolerating any form of bribery To prevent the materialization of risks of corruption or bribery that could negatively affect the corporate reputation, exhaustive background checks of all possible business partners and contractors are carried out annually. Additionally, to ensure that employees and representatives understand and comply with the Policy, Parex conducts regular training and requires an annual certification of acknowledgement. In 2020, 100% of employees received this training. Access Parex Anti-Bribery and Anti-Corruption Policy Parex has a policy for reporting misconducts and a reporting channel within its Corporate Whistleblower Program. Through this, individuals can report any breach of the law, ensuring confidentiality and non-retaliation. www.ethicpoints.com Access Parex Whistleblower Policy See additional information under the heading Corporate Governance, Ethics and Transparency and the sub-heading Anti-Bribery and Anti-Corruption in the Sustainability Report (Pages 24 to 29).

PAREX HISTORICAL INDICATORS

ECONOMIC AND OPERATIONAL PERFORMANCE					
Production and reserves	**Unit**	**2017**	**2018**	**2019**	**2020**
Exploration and production blocks of interest	Number	20	20	22	24
Gross area	Million gross acres	1.6	2.1	2.4	2.3
Wells drilled in the year	Number of wells/year	n.d.	54	43	30
Producing wells drilled	Number of wells/year	30	42	38	25
Non-producing wells drilled	Number of wells/year	8	12	5	5
Exploration success rate	%	n.d.	86	75	93
Average oil and gas production	boe/d	35,541	44,408	52,687	46,518
Variation of production compared to previous year	%	20	25	18.64	-11.71
Gross operated production	boe/d	11,198	12,459	17,390	16,860
2P reserves	Million boe	162.2	184.6	198.4	194.49
Variation of reserves compared to previous year	%	44.6	14	7.4	-1.97
Discovery and acquisition costs (2P)	USD/boe	n.d.	5.54	7.57	8.45
Abandonment and Decommissioning	Number of rigs/year	n.d.	n.d	23	4
Production of natural gas	mscf/d	n.d.	n.d.	n.d.	7,800
Number of offshore sites	Number	0	0	0	0
Number of terrestrial sites (Colombia) Llanos Basin	Number	n.d.	n.d.	n.d.	14
Number of terrestrial sites (Colombia) Lower Magdalena Basin	Number	n.d.	n.d.	n.d.	2
Number of terrestrial sites (Colombia) Middle Magdalena Basin	Number	n.d.	n.d.	n.d.	6
Number of terrestrial sites (Colombia) Upper Magdalena Basin	Number	n.d.	n.d.	n.d.	2
Direct economic value generated and distribuited	**Unit**	**2017**	**2018**	**2019**	**2020**
Direct economic value generated and distribuited	M USD	296	518	466	220
Revenues (total sales of oil and gas)	M USD	573	966	1,114	587
Capital expenses	M USD	212	302	208	141
Net income from operations	M USD	155	403	328	99
Cash flow from operations	M USD	280	401	570	297
Annual variation of cash flow provided by operations	%	94	37	42	48
Shares issued (TSX)	Number	154,742,134	155,013,908	143,295,054	130,872,676
Shares closing price	CAN	18.16	16.35	24.15	17.52
Cash flow provided by operations per share	USD	1.81	2.58	3.90	2.15
Net working capital	M USD	163.4	219	344	320
Operational costs (opex, transport, and purchase of crude oil)	M USD	130	160	253	174
Finding development and acquisition costs (2P))	USD/boed	7.46	7.29	7.57	8.45
Realized sale price	USD/boe	43.73	58.64	54.7	32.55
Payments to the government	**Unit**	**2017**	**2018**	**2019**	**2020**
Taxes paid to the government	M USD	28.00	100.60	197.00	80
Royalties paid	M USD	59.00	133.00	135.00	69
Salaries and benefits	**Unit**	**2017**	**2018**	**2019**	**2020**
Salaries and benefits including share-based compensation (Colombia + Canada)	M USD	56.95	48.45	58.65	39.22
Annual variation of employee wages & benefits	%	n.d.	- 27.00	35.00	-33
Investment in employee training and career development (Colombia + Canada)	M USD	0.35	0.32	0.39	0.43
Social investment and environmental	**Unit**	**2017**	**2018**	**2019**	**2020**
Community investment	M USD	3.40	5.50	3.72	4.58
Annual variation of community investment	%	18	62	-16	21
Investment in environmental programs	M USD	0.44	2.35	1.23	1.07
ENVIRONMENT					
Energy	**Unit**	**2017**	**2018**	**2019**	**2020**
Total fuel consumption within the organization from non-renewable sources	Terajoules	n.d	1,074	1,435	1,127
Total fuel consumption within the organization from renewable sources	Terajoules	n.d	n.d	1.91	3.48
Total electricity consumption	Terajoules	n.d	2.7	1.91	3.48
Total heating consumption	Terajoules	n.d.	n.d.	1.27	0.935
Total cooling consumption	Terajoules	n.d.	n.d.	N/A	N/A
Total steam consumption	Terajoules	n.d.	n.d.	37	54.70
Total energy sold	Terajoules	n.d.	n.d.	N/A	N/A
Total energy consumption within the organization (field energy)	Kw-hr	72,685,188	75,784,156	101,877,586	75,393,635
Energy consumption outside of the organization	Terajoules	n.d.	n.d	502	217
Energy intensity rate for the organization	Kw.hr/boe	17.58	16.66	16.05	12.218
Organization-specific metric (the denominator) chosen to calculate the ratio	boe	n.d	n.d	6,347,566	6,170,801
Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives	Joules	n.d	n.d	n.d	891,102,762
Water and Effluents	**Unit**	**2017**	**2018**	**2019**	**2020**
Total volume of water extracted	Megaliters	n.d	n.d	7,435.4	4,302.95
Surface water catchment	Megaliters	23.63	17.03	63.9	47.47
Ground water catchment	Megaliters	60	54	36	23.44
Ocean water catchment	Megaliters	N/A	N/A	N/A	0
Produced water catchment	Megaliters	0.00	0.00	0.00	4,200.44
Third-party water supply (municipalities or other companies)	Megalitros	42.32	54.36	74.01	31.6
Surface water extraction in areas with water scarcity	Megaliters	n.d.	n.d.	n.d	0
Ground water extraction in areas with water scarcity	Megaliters	n.d.	n.d.	n.d	0
Sea water extraction in areas with water scarcity	Megaliters	n.d.	n.d.	n.d	0
Produced water extraction in areas with water scarcity	Megaliters	n.d.	n.d.	n.d	0
Breakdown of total freshwater withdrawal (total dissolved solids < 1000 mg/l)	Megaliters	n.d.	n.d.	n.d	102.51
Breakdown of total other water withdrawal (total dissolved solids > 1000 mg/l)	Megaliters	n.d.	n.d.	n.d	4,200.44
Produced water volume and flowback generated	Thousands of cubic feet	n.d.	n.d.	n.d.	148.444
Percentage of produced water and flowback discharged to the environment	%	n.d.	n.d.	n.d.	0
Percentage of produced water and flowback delivered to third parties	%	n.d.	n.d.	n.d.	0
Percentage of produced water and reinjected flowback	%	n.d.	n.d.	n.d.	100
Percenatge of produced and reinjected water recycled	%	n.d.	n.d.	n.d.	0
Water with hydrocarbons discharged to the environment	Metric tons	n.d.	n.d.	n.d	15.19
Total water discharge to all the areas	Megaliters	5,098	4,970	7,324	4,228
Total water discharge to surface water	Megaliters	0.00	0.00	0.00	0.00
Total water discharge to ground water	Megaliters	N/A	N/A	N/A	N/A
Total water discharge in formation water (reinjection)	Megaliters	5,098	4,970	7,284	4,203
Total water discharge in ocean water	Megaliters	n.d.	n.d.	N/A	0.0
Total water discharge given to third parties	Megaliters	n.d.	n.d.	39.51	24.62
Flowback discharged	%	n.d	n.d	0	0
Flowback injected	%	n.d	n.d	0	0
Flowback recycled	%	n.d	n.d	0	0
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	%	n.d.	n.d.	n.d.	0
Percentage of hydraulically fracturing sites where ground or surface water quality deteriorated compared to a baseline	%	n.d.	n.d.	n.d.	0
Total water consumption in all the areas	Megaliters	128.56	126.43	174.12	74.86
Total water consumption in all the areas with water scarcity	Megaliters	N/A	N/A	N/A	0
Percentage of water consumed in locations with a high or very high water stress baseline	%	N/A	N/A	N/A	0
Percentage of water withdrawn in locations with a high or very high water stress baseline	%	N/A	N/A	N/A	0
Biodiversity	**Unit**	**2017**	**2018**	**2019**	**2020**
Size and location of all habitat areas protected or restored	Kms2	n.d	n.d.	n.d.	1.59
Total number of species appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d	n.d	16	24
Total number of critically endangered species appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d	n.d	0	3
Total number of endangered species appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d	n.d	0	2
Total number of vulnerable species appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d	n.d	4	11
Total number of almost threatened species appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d	n.d	1	5
Total number of species that are a minor concern appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d	n.d	11	3

Emissions	Unit	2017	2018	2019	2020
Gross direct (scope 1) GHC emissions	Metric tons CO2e	80,781	125,352	190,410	140,720
Gases included in the calculation	Description			CO2, CH4, N2O	CO2,CH4, N2O,HFC
Percentage of methane emissions	Metric tons of CO2-e / gross scope 1 GHG emissions	9	11	12	12
% Scope 1 GHG not covered under limiting regulations	Metric tons of CO2-e limited / gross scope 1 GHG emissions				N/A
Biogenic CO2 emissions	Metric tons CO2e	228	n.d.	390	349.91
Base year for calculation	Year	2017	2017	2017	2017
Flaring	Metric tons CO2e	245,156.04	785,265.72	1,488,719.00	72,339.49
Combustion emissions	Metric tons CO2e	59,361.00	66,794.00	83,276.00	60,442.54
Fugitive emissions	Metric tons CO2e	571.00	997.00	1,925.00	1,548.00
Process emissions	Metric tons CO2e	53.00	7.00	9.00	24.50
Vented emissions	Metric tons CO2e	4,781.00	6,255.00	8,790.00	6,365.59
GHG indirect emissions (scope 2)	Metric tons CO2e	103	95	82.85	149.57
Gases included in the calculation	Description			CO2, CH4, N2O	CO2, CH4, N2O
Base year for calculation	year	2017	2017	2017	2017
Consolidation approach for emissions	Description			operational control	operational control
Gross other indirect (Scope 3) GHC emissions	Toneladas métricas CO2e	35,064.67	37,079.00	38,193.94	19,974.05
Gases included in the calculation	Description			CO2, CH4, N2O	CO2, CH4, N2O, HFC
Biogenic CO2 emissions (Scope 3)	Metric tons CO2e	n.d	n.d	3,754.43	1,552.00
Base year for calculation	year	2017	2018	2019	2020
GHC emissions intensity ratio for the organization	Metric tons CO2e/boe	n.d	n.d	0.030010312	0.022828427
Organization-specific metric (the denominator) chosen to calculate the ratio	boe	n.d	n.d	6,347,566	6,170,801
Types of GHC emissions included	Description			Scope 1+2	Score 1+2
Gases included in the calculation	Description			CO2, CH4, N2O	CO2, CH4, N2O,HFC
GHC emissions reduced as a direct result of reduction initiatives	Metric tons CO2e	n.d. n.d.	n.d. n.d.	8,652.88 2,993.38	67,132.73 2,207.68
Gases included in the calculation	Description			CO2, CH4, N2O	CO2, CH4, N2O,HFC
Base year for calculation	year	2017	2017	2017	2017
Scopes in which reductions were achieved	Description			Scope +3	Scope 1+3
Emissions of ozone -depleting substances (ODS); production, imports and exports of ODS (CFC-11e)	Metric tons of CFC-11	n.d.	n.d.	0	0
NOX emissions	Tons Nox	n.d.	n.d.	981.01	660.32
SOX emissions	Tons Sox	n.d.	n.d.	563.92	339.26
COV emissions	Tons COV	n.d.	n.d.	1,321.62	1,035.66

Effuents and waste	Unit	2017	2018	2019	2020
Water discharge by quality and destination	Cubic meters	5,098,300	4,970,350	7,323,587	4,288,091
Total volume of discharges by quality of water including treatment method	Cubic meters	n.d.	n.d.	n.d.	4,288,091
Total volume of discharges that were reused by another organization	Cubic meters	0.00	0.00	0.00	0.0
Total weight of hazardous waste	Kilograms	175,972	201,212	648,800	95,938.51
Total weight of hazardous waste that has been reused	Kilograms	N/A	N/A	N/A	24,055.39
Total weight of hazardous waste that has been recycled	Kilograms	n.d	n.d	53,561	586.10
Total weight of hazardous waste used for composting	Kilograms	n.d	n.d	n.d	0
Total weight of recovered hazardous waste (including energy recovery)	Kilograms	n.d	n.d	n.d	0
Total weight of hazardous waste that is incinerated (mass burn)	Kilograms	n.d	n.d	76,059	24,356.30
Total weight of hazardous waste that is reinjected in deep wells	Kilograms	N/A	N/A	N/A	0
Total weight of hazardous waste disposed in landfills	Kilograms	n.d	n.d	76	32,011.45
Total weight of hazardous waste that is stored on site	Kilograms	N/A	N/A	N/A	0
Total weight of hazardous waste that are otherwise eliminated	Kilograms	n.d	n.d	440.184	14,929.27
Total weight of hazardous waste transported	Kilograms	n.d	n.d	648,800	95,938.51
Total weight of hazardous waste imported	Kilograms	n.d	n.d	0	0
Total weight of hazardous waste exported	Kilograms	n.d	n.d	0	0
Total weight of hazardous waste treated	Kilograms	n.d	n.d	0	0
Total weight of hazardous waste transported abroad	Kilograms	n.d	n.d	0	0
Total weight of non-hazardous waste	Kilograms	809,302	1,478,624	5,499,595	1,039,801.78
Total weight of non-hazardous waste that has been reused	Kilograms	n.d	n.d	n.d	940,621.00
Total weight of non-hazardous waste that has been recycled	Kilograms	n.d	n.d	155,049	14,208.64
Total weight of non-hazardous waste used for composting	Kilograms	n.d	n.d	24,488	18,927.10
Total weight of recovered non-hazardous waste (including energy recovery)	Kilograms	n.d	n.d	n.d	0.00
Total weight of non-hazardous waste that is incinerated (mass incineration)	Kilograms	n.d	n.d	n.d	0.00
Total weight of non-hazardous waste that is reinjected in deep wells	Kilograms	N/A	N/A	N/A	0
Total weight of non-hazardous waste disposed in landfills	Kilograms	n.d	n.d	114,101	66,045.04
Total weight of non-hazardous waste that is stored on site	Kilograms	N/A	N/A	N/A	0
Total weight of non-hazardous waste that is otherwise eliminated	Kilograms	n.d	n.d	5,205,958	0

Spills	Unit	2017	2018	2019	2020
Total number of significant spills recorded (more than 1 bbl)	Number	1	2	0	0
Total volume of significant spills recorded (less than 1 bbl)	Number of bbls	3	201	0	0
Total number of significant spills recorded in transport	Number	1	3	0	0
Total volume of significant spills in transport	Number of bbls	3	57.35	0	0
Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	(# events/total hours worked) x 200,000	n.d	n.d	n.d	0
Volume and disposal of formation or produced water	Cubic meters	n.d	n.d	7,261,713	4,200,439
Drilling cuts and muds	Number of bbls	46,402	232,246	200,379	90,898
Number of suppliers identified as having significant actual and potential negative environmental impacts	Number	n.d	n.d	0	0
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	%	n.d	n.d	0	0
SOCIAL					
EMPLOYMENT					
Information on employees and other workers	**Unit**	**2017**	**2018**	**2019**	**2020**
Total number of employees Colombia + Canada	Number	320	318	339	348
Total number of female employees Colombia + Canada	Number	104	105	109	114
Total number of male employees Colombia + Canada	Number	216	213	230	234
Total number of employees Colombia	Number	279	277	295	297
Total number of employees Canada	Number	41	41	44	51
Total number of female employees Colombia	Number	88	88	92	93
Total number of male employees Colombia	Number	191	189	203	204
Total number of female employees Canada	Number	16	17	17	21
Total number of male employees Canada	Number	25	24	27	30
Total number of temporary employees Colombia + Canada	Number	n.d.	n.d.	18	4
Total number of temporary employees Colombia	Number	n.d.	9	10	2
Total number of temporary employees Canada	Number	n.d.	n.d.	8	2
Total number of female temporary employees Colombia + Canada	Number	n.d.	n.d.	8	4
Total number of male temporary employees Colombia + Canada	Number	n.d.	n.d.	10	0
Total number of female temporary employees Colombia	Number	n.d.	5	5	2
Total number of male temporary employees Colombia	Number	n.d.	4	5	0
Total number of female temporary employees Canada	Number	n.d.	n.d	3	2
Total number of male temporary employee Canada	Number	n.d.	n.d	5	0
Total number of employees Bogotá	Number	205	203	220	220
Total number of employees Yopal	Number	57	57	54	51
Total number of employees Barranca	Number	14	14	15	17
Total number of employees Tame	Number	3	3	6	9
Total number of temporary employees Bogotá	Number	n.d.	7	9	2
Total number of temporary employees Yopal	Number	n.d.	1	0	0
Total number of temporary employees Barranca	Number	n.d.	1	1	0
Total number of temporary employees Tame	Number	n.d.	0	0	0
Total number employees on permanet contract Colombia + Canada	%	100	100	100	100
Total number employees on permanent contract Colombia	%	100	100	100	100
Total number employees on permanent contract Canada	%	100	100	100	100
Total number of employees under 30 years old Colombia + Canada	Number	n.d.	29	53	39
Total number of employees between 31 and 50 years old Colombia + Canada	Number	n.d.	251	247	262
Total number of employees over 51 years old Colombia + Canada	Number	n.d.	38	39	47
Total number of employees under 30 years old Colombia	Number	67	27	51	36
Total number of employees between 31 and 50 years old Colombia	Number	192	223	216	226
Total number of employees over 51 years old Colombia	Number	20	27	28	35
Total number of employees under 30 years old Canada	Number	n.d.	2	2	3
Total number of employees between 31 and 50 years old Canada	Number	n.d.	28	31	36
Total number of employees over 51 years old Canada	Number	n.d.	11	11	12
New employee hires and employee turnover	Unit	2017	2018	2019	2020
Total number of new employee hires Colombia + Canada	Number and %	34 (10.63)	11 (3.46)	39 (11.50)	22 (6.32)
Total number of new female employee hires Colombia + Canada	Number and %	9 (2.81)	5 (1.57)	13 (3.83)	8 (2.30)
Total number of new male employee hires Colombia + Canada	Number and %	25 (7.81)	6 (1.89)	26 (7.67)	14 (4.02)
Total number of new employee hires under 30 years old Colombia + Canada	Number and %	11 (3.44)	3 (0.94)	12 (3.54)	3 (0.86)
Total number of new employee hires between 31 y 50 years old Colombia + Canada	Number and %	20 (6.25)	7 (2.20)	26 (7.67)	17 (4.89)
Total number of new employee hires over 51 years old Colombia + Canada	Number and %	3 (0.94)	1 (0.31)	1 (0.29)	2 (0.57)
Total number of new employee hires Colombia	Number and %	34 (10.63)	9 (2.83)	34 (10.03)	15 (4.31)
Total number of new female employee hires Colombia	Number and %	9 (2.81)	4 (1.26)	12 (3.54)	3 (0.86)
Total number of new male employee hires Colombia	Number and %	25 (7.81)	5 (1.57)	22 (6.49)	12 (3.45)
Total number of new employee hires under 30 years old Colombia	Number and %	11 (3.44)	3 (0.94)	12 (3.54)	2 (0.57)
Total number of new employee hires between 31 and 50 years old Colombia	Number and %	20 (6.25)	6 (1.89)	21 (6.19)	12 (3.45)
Total number of new employee hires over 51 years old Colombia	Number and %	3 (0.94)	0 (0)	1 (0.29)	1 (0.29)
Total number and percentage of new employee hires Bogotá	Number and %	28 (10.04)	8 (2.89)	29 (9.8)	12 (3.45)
Total number and percentage of new employee hires Yopal	Number and %	4 (1.43)	0 (0)	2 (0.7)	3 (0.86)
Total number and percentage of new employee hires Barranca	Number and %	1 (0.36)	1 (0.36)	2 (0.7)	0 (0)
Total number and percentage of new employee hires Tame	Number and %	1 (0.36)	0 (0)	1 (0.3)	0 (0)
Total number of new employee hires Canada	Number and %	0 (0)	2 (0.63)	5 (1.47)	7 (2.01)
Total number of new male employee hires Canada	Number and %	0 (0)	1 (0.31)	4 (1.18)	2 (0.57)
Total number of new female employee hires Canada	Number and %	0 (0)	1 (0.31)	1 (0.29)	5 (1.44)
Total number of new employee hires under 30 years old Canada	Number and %	0 (0)	0 (0)	0 (0)	1 (0.29)
Total number of new employee hires between 31 and 50 years old Canada	Number and %	0 (0)	1 (0.31)	5 (1.47)	5 (1.44)
Total number of new employee hires over 51 years old Canada	Number and %	0 (0)	1 (0.31)	0 (0)	1 (0.29)
Total number of employee turnover Colombia	Number and %	16	11	16	12 (3.45)
Total number of female employee turnover Colombia	Number and %	5	4	8	2 (0.57)
Total number of male employee turnover Colombia	Number and %	11	7	8	10 (2.87)
Total number of employee turnover Bogotá	Number and %	13	10	11	10 (2.87)
Total number of employee turnover Yopal	Number and %	2	0	4	2 (0.57)
Total number of employee turnover Barranca	Number and %	1	1	1	0 (0)
Total number of employee turnover Tame	Number and %	0	0	0	0 (0)
Total number of employee turnover under 30 years old Colombia	Number and %	6	2	0	2 (0.57)
Total number of employee turnover between 31 and 50 years old Colombia	Number and %	9	9	16	9 (2.59)
Total number of employees turnover over 51 years old Colombia	Number and %	1	0	0	1 (0.29)
Total number of employee turnover Canada	Number and %	n.d.	n.d.	n.d.	1 (0.29)
Total number of female employee turnover Canada	Number and %	n.d.	n.d.	n.d.	1 (0.29)
Total number of male employee turnover Canada	Number and %	n.d.	n.d.	n.d.	0 (0)
Total number of employee turnover under 30 years old Canada	Number and %	n.d.	n.d.	n.d.	0 (0)
Total number of employee turnover between 31 and 50 years old Canada	Number and %	n.d.	n.d.	n.d.	1 (0.29)
Total number of employees turnover over 51 years old Colombia	Number and %	n.d.	n.d.	n.d.	0 (0)
Total number of employee turnover Canada & Colombia	Number and %	n.d.	4.09	5.31	13(3.74)
Total number of female employee turnover Canada & Colombia	Number and %	n.d.	n.d.	n.d.	3 (0.86)
Total number of male employee turnover Canada & Colombia	Number and %	n.d.	n.d.	n.d.	10 (2.87)
Total number of employee turnover under 30 years old Canada & Colombia	Number and %	n.d.	n.d.	n.d.	2 (0.57)
Total number of employee turnover between 31 and 50 years old Canada & Colombia	Number and %	n.d.	n.d.	n.d.	10 (2.87)
Total number of employee turnover over 51 years old Canada & Colombia	Number and %	n.d.	n.d.	n.d.	1 (0.29)
Employee turnover rate Colombia + Canada	%	n..d.	4.09	5.31	3.74
Employee turnover rate Colombia	%	5.7	3.97	5.42	3.45
Employee turnover rate Canada	%	7.3	5.0	5.0	0.29

Employees by employment status Colombia + Canada	Unit	2017	2018	2019	2020	
Total number of administrative level employees	Number	n.d.	24	27	24	
Total number of professional level employees	Number	n.d.	103	109	108	
Total number of junior professional level employees	Number	n.d.	18	22	22	
Total number of junior technical professional level employees	Number	n.d.	20	21	15	
Total number of leader level employees	Number	n.d.	17	17	16	
Total number of management level employees	Number	n.d.	19	23	25	
Total number of senior management level employees	Number	n.d.	2	1	1	
Total number of senior professional level employees	Number	n.d.	32	31	39	
Total number of senior technical professional employees	Number	n.d.	24	28	38	
Total number of technical professional level employees	Number	n.d.	48	48	47	
Total number of Vice-president level employees	Number	n.d.	5	4	5	
Total number of senior vice-president level employees	Number	n.d.	4	6	6	
Total number CEO &President employees	Number	n.d.	2	2	2	
Composition of senior executive positions	**Unit**	**2017**	**2018**	**2019**	**2020**	
Proportion of senior management hired from the local comunity (Colombia: President and Senior Vice-President)	%	n.d.	n.d.	0	0	
Parental leave	**Unit**	**2017**	**2018**	**2019**	**2020**	
Total number of female employees that were entitled to parental leave Colombia and Canada	Number	n.d.	6	7	11	
Total number of male employees that were entitled to parental leave Colombia and Canada	Number	n.d.	14	3	10	
Total number of female employees that returned to work who have returned after parental leave	Number	n.d.	6	7	9	
Total number of male employees that returned to work who have returned after parental leave	Number	n.d.	14	3	10	
Total number of male employees that returned to work after the parental leave ended that are still employed 12 months after their return to work	Number	n.d.	14	3	10	
Total number of female employees that returned to work after the parental leave ended that are still employed 12 months after their return to work	Number	n.d.	6	7	9	
Percentage of male employees that returned to work who have returned after parental leave	%	n.d.	100	100	100	
Percentage of female employees that returned to work who have returned after parental leave	%	n.d.	100	100	100	
Training and education	**Unit**	**2017**	**2018**	**2019**	**2020**	
Total number of hours of training Colombia	Hours	n.d.	18,237	27,730	25,685	
Average hours of training Colombia	Hours	108	66	94	86.48	
Average hours of training for females Colombia	Hours	n.d.	n.d.	102	97.75	
Average hours of training for males Colombia	Hours	n.d.	n.d.	90	82.23	
Total number of hours of training Canada	Hours	n.d.	n.d.	9,377	8,993	
Total number of hours of training for females Colombia	Hours	n.d.	n.d.	18,353	16,692	
Total number of technical and professional hours of training for females Colombia	Hours	n.d.	5,281	8,190	4,737	
Total number of english hours of training for females Colombia	Hours	n.d.	1,803	1,187	1,999	
Total number of technical and professional hours of training for males Colombia	Hours	n.d.	9,182	16,687	9,797	
Total hours of English training for males Colombia	Hours	n.d.	1,971	1,666	3,558	
Type and scope of programs implemented ans assistance provided to upgrade employee skills - Canada	USD	n.d.	n.d.	n.d.	284,155	
Type and scope of programs implemented ans assistance provided to upgrade employee skills - Colombia	USD	2017	n.d.	n.d.	151,778	
Employee evaluation	**Unit**	**2017**	**2018**	**2019**	**2020**	
Percentage of employees receiving regular performance and career development reviews Colombia + Canada	%	100	100	100	100	
OCCUPATIONAL HEALTH AND SAFETY	**Unit**	**2017**	**2018**	**2019**	**2020**	
Average number of workers from contractors per month / year	Average number per month	n.d.	4,760	6,113	4,925	
Number and percentage of employees and contractors covered by an occupational health and safety management system	Number and %	100	100	100	100	
Number and percentage of **employees** covered by an occupational health and safety management system	Number and %	100	100	100	296 (100)	1
Number and percentage of **contractors** covered by an occupational health and safety management system	Number and %	100	100	100	181 (100)	2
Number and percentage of contractors covered by an occupational health and safety management system, subject to internal audit	Number and %	n.d.	n.d.	n.d.	65 (35.9)	3
Number and percentage of employees and contractors covered by OHS, subject to third-party audit	Number and %	n.d.	n.d.	n.d.	296 (100)	
Number and percentage of **employees** covered by an occupational health and safety management system, subject to third-party audit	Number and %	n.d.	n.d.	n.d.	17 (2.07)	
Number and rate of fatalities as a result of work-related injury for all employees (FAT)	(# of incidents X 200,000)/hours worked	0	0	0	0 (0)	4
Number and rate of fatalities as a result of work-related injury for **employees** (FAT)	(# of incidents X 200,000)/hours worked	0	0	0	0 (0)	
Number and rate of fatalities as a result of work-related injury for **contractors** (FAT)	(# of incidents X 200,000)/hours worked	0	0	0	0 (0)	
Total number of fatalities as a result of work-related injury (FAT)	(# of incidents X 200,000)/hours worked	0	0	0	0 (0)	
Number and rate of high-consequence work-related injuries all employees	(# of incidents X 200,000)/hours worked	n.d.	n.d.	n.d.	0 (0)	
Number and rate of high-consequence work-related injuries **employees**	(# of incidents X 200,000)/hours worked número	n.d.	n.d.	0	0 (0)	
Number and rate of high-consequence work-related injuries **contractors**	(# of incidents X 200,000)/hours worked	n.d.	n.d.	0	0 (0)	
Total number and rate of high-consequence work-related injuries	(# of incidents X 200,000)/hours worked	n.d.	n.d.	0	0 (0)	
Number and rate of recordable work-related injuries (TRIF) for **employees**	(# of incidents X 200,000)/hours worked	n.d.	n.d.	n.d.	0 (0)	
Number and rate of recordable work-related injuries (TRIF) for **contractors**	(# of incidents X 200,000)/hours worked	n.d.	n.d.	n.d.	4 (0.21)	
Total recordable injury frequency (TRIF)	Incidents/million hours worked	2.56	1.73	1.11	4 (0.18)	
Number of hours worked **employees**	Number	n.d.	n.d.	n.d.	649,188	
Number of hours worked **contractors**	Number	n.d.	n.d.	n.d.	3,873,564	

Total number of hours worked	Number	n.d.	n.d.	n.d.	4,522,752
Lost time injury frequency (LTIF) Employees	Incidents/million hours worked	n.d.	n.d.	n.d.	0
Lost time injury frequency (LTIF) Contractors	Incidents/million hours worked	n.d.	n.d.	n.d.	0.052
Lost time injury frequency (LTIF)	Incidents/million hours worked	0.59	0.43	0.27	0.044
Near miss frequency rate (NMFR) Employees	(# of near misses X 200,000)/hours worked	n.d.	n.d.	n.d.	1.80
Near miss frequency rate (NMFR) contractors	(# of near misses X 200,000)/hours worked	n.d.	n.d.	n.d.	1.24
Near miss frequency rate (NMFR) Total	(# of near misses X 200,000)/hours worked	n.d.	n.d.	n.d.	1.32
Road accident frequncy (MVA)	Incidents/million kms travelled	1.02	0.53	0.13	0.3
Number of fatalities as a result of work-related ill health for all employees	Number	n.d.	n.d.	n.d.	0
Number of cases of recordable work-related ill health for all employees	Number	n.d.	n.d.	n.d.	0
Number of fatalities as a result of work-related ill health for contractors	Number	n.d.	n.d.	n.d.	0
Number of cases of recordable work-related ill health for contractors	Number	n.d.	n.d.	n.d.	0
Occupational illnesses and diseases	Number	n.d.	n.d.	0	0
Occupational disease absentism rate	%	n.d.	1.18	1.39	0.8
Occupational disease incidence rate	%	n.d.	0	0	0
Occupational disease prevalence rate	%	n.d.	0	0	0
Average hours of health, safety, and emergency response training - Full-time employees	Hours/employees	n.d.	n.d.	n.d.	13
Average hours of health, safety, and emergency response training - Contract employees	Hours/employees	n.d.	n.d.	n.d.	0.36
Average hours of health, safety, and emergency response training - Short-service employee	Hours/employees	n.d.	n.d.	n.d.	0

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COMMUNITY

Concept	Unit	2017	2018	2019	2020
REQUESTS, COMPLAINTS AND CLAIMS					
Total requests, complaints and claims	Number	406	580	494	443
Request varius themes	Number	99	210	234	183
Requests on employment opportunitie	Number	59	41	33	61
Right to petition	Number	24	42	18	8
Total petitions	Number	182	293	285	252
Environmental complaints and claims	Number	25	25	13	18
Contractor-related complaints and claims	Number	90	125	126	96
Complaints and claims related to land owners	Number	40	65	56	35
Complaints and claims related to road deterioration/maintenance	Number	31	40	8	19
Complaints and claims related to emissions of particled material	Number	7	7	6	5
Complaints and claims related to goods and services	Number	23	6	n/d	15
Complaints and claims related to salaries and benefits	Number	8	19	n/d	3
Total complaints and claims	Number	224	287	209	191
Total requests, complaints,and claims solved and filed	Number	375	568	483	443
Ongoing requests, complaints, and claims	Number	31	12	11	2
Number and days of non-technical delays	Number days	n.d.	n.d.	41	21
	Number	n.d.	n.d.	10	7

Concept	Unit	2017	2018	2019	2020
INDIRECT ECONOMIC IMPACTS					
Total families benefitted	Number	n.d	n.d	4,505	7,488
Total projects executed	Number	n.d	n.d	135	136
Local employment	Unit	2017	2018	2019	2020
Total local employment generated	Number	n.d.	3,815	3,615	3,298
Total local employment generated female	Number	n.d.	n.d.	868	779
Total local employment generated male	Number	n.d.	n.d.	2,747	2,519
Total skilled labor	Number	n.d.	318	373	647
Total unskilled labor	Number	n.d.	3,497	3,242	2,651
LOCAL PURCHASES	Unit	**2017**	**2018**	**2019**	**2020**
Total procurement of goods and services	M USD	192.58	245.17	318.94	226.67
Total spend on local suppliers	M USD	19.91	34.24	38.19	42.05
Total procurement of local goods and services for civil works	M USD	3.80	7.22	7.63	5.51
Total procurement of local goods and services for engineering and workover	M USD	0.13	0.22	0.47	0.63
Total procurement of local goods and services for maintenance	M USD	0.57	0.29	0.68	0.97
Total procurement of local goods and services for dry load transportation	M USD	0.86	2.48	3.48	3.80
Total procurement of local goods and services for environment, health and safety	M USD	1.71	2.40	2.11	1.70
Total procurement of local goods and services for passenger transport	M USD	1.74	1.84	1.63	1.29
Total procurement of local goods and services for the transport of crude oil	M USD	2.07	6.88	11.75	18.45 [6]
Total procurement of local goods and services for water and waste management and disposal	M USD	2.16	3.21	1.73	2.01
Total procurement of local goods and services for facilities	M USD	3.03	5.70	5.69	3.82
Total procurement of other local goods and services	M USD	0.63	1.22	0.88	1.03
SUPPLY CHAIN	Unit	**2017**	**2018**	**2019**	**2020**
Total number of contractor companies	Number	442	468	542	530
Number of national companies in the supply chain	Number	269	306	364	347
Number of regional companies in the supply chain	Number	139	125	144	144
International companies present or with subsidiaries in Colombia	Number	34	37	34	39
HUMAN RIGHTS	Unit	**2017**	**2018**	**2019**	**2020**
Employee training on human rights policies or procedures	hours	n.d.	n.d.	116	292
	% of employees	n.d.	n.d.	98	98
SECURITY AND HUMAN RIGHTS	Unit	**2017**	**2018**	**2019**	**2020**
Security personnel trained in human rights policies or procedures	%	n.d.	n.d.	100	91
Percentage of proved reserves in or near areas of conflict	% proved reserves = total proved reserves in areas of conflict / total amount of proved reserves	n.d.	n.d.	n.d.	5.38
Percentage of probable reserves in or near areas of conflict	% probable reserves = total probable reserves in areas of conflict / total amount of probable reserves	n.d.	n.d.	n.d.	5.61
Percentage of proved reserves in or near areas indigenous land	% proved reserves = total proved reserves in or near indigenous land / total amount of proved reserves	n.d.	n.d.	n.d.	5.38
Percentage of probable reserves in or near areas indigenous land	% probable reserves = total probable reserves in or near indigenous land / total amount of probablereserves	n.d.	n.d.	n.d.	5.61

GOVERNANCE STRUCTURE					
COMPOSITION OF THE HIGHEST GOVERNANCE BODY	**Unit**	**2017**	**2018**	**2019**	**2020**
Female members of the Board of Directors	Number and %	8 (80)	8 (80)	8 (80)	7 (78)
Male members of the Board of Directors	Number and %	2 (20)	2 (20)	2 (20)	2 (22)
Members of the Board of Directors between 50-55 years old	Number	3	2	1	0
Members of the Board of Directors between 56-60 years old	Number	3	3	4	1
Members of the Board of Directors between 61-65 years old	Number	3	3	3	5
Members of the Board of Directors between 66-70 years old	Number	1	2	2	3
BUSINESS ETHICS AND TRANSPARENCY	**Unit**	**2017**	**2018**	**2019**	**2020**
Percentage of operations assessed for corruption-related risks	%	n.d.	n.d.	n.d.	100%
Number and percentage of members of the Board of Directors to whom the organization's policies and procedures have been communicated.	Number and %	n.d.	n.d.	n.d.	9 (100%)
Number and percentage of employees to whom the policies and procedures have been communicated (Colombia)	Number and %	n.d.	n.d.	285 (100)	(297)100%
Number and percentage of partners to whom the organizations's policies and procedures have been communicated (Colombia)	Number and %	n.d.	n.d.	n.d.	100%
Number and percentage of members of the Board Directors who have received training in anti-corruption	Number and %	n.d.	n.d.	n.d.	9 (100%)
Number and percentage of employees who have received anti-corruption training (Colombia)	Number and %	n.d.	n.d.	n.d.	297(100%)
Number and percentage of employees who have received anti-corruption training (Canada)	Number and %	n.d.	n.d.	n.d.	51(100%)
Total number of confirmed incidents of corruption and actions taken	Number	n.d.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	Number	n.d.	n.d.	n.d.	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption or not renewed due to corruption	Number	n.d.	n.d.	n.d.	0

Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	Number	n.d.	n.d.	n.d.	0
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.	Number	n.d.	0	0	0
Mechanisms for advice and concerns about ethics. Reports of violations to the code of conduct and ethics	Number	n.d.	n.d.	0	1
Claims due to unjustified layoffs / harassment Parex - HR	Number	n.d.	1	0	0
Claims concerning violation of human rights	Number	n.d.	0	0	0
Non-compliance with regulations in the social and economic spheres	Number	n.d.	n.d.	n.d.	0
Proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (/MBIs)	0	0	0	0
Probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (/MBIs)	0	0	0	0
Environmental Regulatory Compliance	**Unit**				
Non-compliance with environmental legislation and regulations	Number	0	0	0	0
Total monetary value of significant fines	USD	n.d.	n.d	n.d.	0
Total number of non-monetary sanctions	Number	n.d.	n.d	n.d.	0
Cases brought through dispute resolution mechanisms	Description	n.d.	n.d	n.d.	0

1. Monthly average number of employees in Colombia.

2. Monthly average number contractor companies which contributed with man hours (contractor recognition: 181 companies).

3. Out of 181 average monthly contractor companies in Colombia reporting HHT, 65 have provided an ARL certificate - Compliance with Resolution 0312.

4. In measuring the criticality of contracts, a classification of contractors by risk level is established, therefore, the percentage reported corresponds to the number of contractors with a high and extreme risk level that were audited, times 100, divided by the number of contractors identified with a high and extreme risk level. Contracts classified into this risk level shall be audited at least once every 2 years, and frequency may increase depending on the results obtained in the incidentality and performance indicators regarding compliance of requirements. (Colombia)

5. In 2020, the constant for calculating indicators (200.000 hours worked) was changed in order to make it consistent with SASB.

6. Regarding procurement of local goods and crude oil transportation services for 2019, the value corresponds to USD $23.83 M. The source of this information corresponds to the crude ol transportation invoicing provided the marketing department. Initially, the values obtained from SAP requests were reported.

EXTERNAL ASSURANCE

GRI 102-56

Parex Resources Colombia Ltd. Sucursal
Independent practitioner's report

Independent practitioner's limited assurance report on the 2020 Sustainability Report of Parex Resources Colombia Ltd. Sucursal for the year ended December 31, 2020

GRI 102-56

Independent Limited Assurance Report on the 2020 Sustainability Report of Parex Resources Colombia Ltd. Sucursal for the Year Ended on December 31, 2020

(Free translation from the original in Spanish)

To the Board of Directors, and Management of
Parex Resources Inc. and its Subsidiaries Independent
Limited Assurance Report

August 3, 2021

We have carried out a limited assurance engagement on the sustainability information (hereinafter "Selected sustainability information") detailed below included in the 2020 Sustainability Report (hereinafter IS20 by its acronym in Spanish) for the year ended on December 31, 2020 (hereinafter "the year under review"). This assurance was made by a multidisciplinary team, including auditors and experts in sustainability.

Selected sustainability information

a. The selected sustainability information from the performance indicators included in the IS20 by Parex Resources Colombia Ltd. Sucursal (hereinafter "the Company") issued by the Administration, both printed and in a PDF file [1], is listed below:

   I. GRI 201-1 Direct economic value generated and distributed
   II. GRI 205-3 Confirmed incidents of corruption and actions taken
   III. GRI 303-3 Water withdrawal
   IV. GRI 305-1 Direct (Scope 1) GHG emissions
   V. GRI 306-3 Significant spills
   VI. GRI 401-1 New employee hires and employee turnover
   VII. GRI 403-9 Work-related injuries
   VIII. GRI 412-2 Employee training on human rights policies or procedures
   IX. 419-1 Non-compliance with laws and regulations in the social and economic area
   X. Own indicator Social investment

b. The Company's statement, included in the IS20, regarding its presentation in accordance with the "core" option of the GRI (Global Reporting Initiative) Standards 2016.

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[1] The maintenance and integrity of the Parex Resources Inc. website (www.parexresources.com/es/), the repository of the pdf version of the Sustainability Report 2020, is responsibility of the Company's Administration. The work carried out by PwC does not include the consideration of these activities and, accordingly, PwC accepts no responsibility for any difference between the information presented on such website and the Identified Sustainability Information in the Report issued by the Company's Management on which such assurance was performed and the conclusion was issued.

PricewaterhouseCoopers Asesores Gerenciales S.A.S., Calle 100 No. 11A-35, Bogotá, Colombia
Tel: (57-1) 634 0555, Fax: (57-1) 634 0614, www.pwc.com/co

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To the Board of Directors, and Management of
Parex Resources Inc. and its Subsidiaries
Independent Limited Assurance Report

August 3, 2021

Our limited assurance was only performed regarding the selected sustainability information that meets the criteria described in Appendix I, for the year ended on December 31, 2020, and we have not performed any procedure related to previous periods, projections and future goals, or any other element included in the IS20 and, therefore, we do not express a conclusion in that regard.

Criteria

The criteria used by the Company to prepare the selected sustainability information, subject to limited assurance, were established in accordance with the terms and conditions exposed in the GRI (Global Reporting Initiative) Standards and the formalized procedures that, in regard to such indicators, the Management has defined as a complement to that stated mentioned in the GRI, as detailed in Appendix I.

Management's Responsibility for the Selected Sustainability Information

The Company's Management is responsible for the preparation and presentation of the selected sustainability information, in accordance with the criteria presented in Appendix I attached. This responsibility includes the design, implementation and maintenance of the internal control relevant for the preparation and presentation of the selected sustainability information so that it is free from material misstatement due to fraud or error.

Inherent Limitations

Without qualifying our conclusion, we draw attention to the fact that:

i. The non-financial information is subject to more inherent limitations than the financial information, given both the nature and the methods used to determine, calculate, take samples or estimate such information. The qualitative interpretations on relevance, materiality and accuracy of the information are subject to individual assumptions and judgements.

ii. Our assurance does not consider information from previous years included in the IS20, related to projections and future goals, nor financial information of the Company for the year under review, unless otherwise is expressed in Appendix I attached. We have performed no engagement out of the scope agreed and, therefore, our conclusion is restricted to the selected sustainability information that meets the assurance criteria described in Appendix I.

iii. In the absence of a significant set of criteria defined to establish the assessment of non-financial information, different, but acceptable, methods and measures are allowed, that may impact the comparability with other entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge to determinate emission factors and the evaluation methods to combine emissions of different gases.

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To the Board of Directors, and Management of
Parex Resources Inc. and its Subsidiaries
Independent Limited Assurance Report

August 3, 2021

Our Independence and Quality Control

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

Our firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PwC Responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability information based on the procedures we have performed and evidence we have obtained. We performed our limited assurance engagement in accordance with International Standard on Assurance Engagements, for non-assurance engagements or for reviews of historical financial information, ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain limited assurance on whether the selected sustainability information is free from material misstatements.

A limited assurance engagement involves assessing the suitability, under the circumstances, of the Company's use of the criteria as the basis for the preparation of the selected sustainability information, assessing any risks of material misstatements in the selected sustainability information due to fraud or error, responding to the assessed risks as required under the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The developed procedures were performed based on our professional judgement and included inquiries, observation of the developed processes, inspection of documents, and reconciliation of the respective supporting documentation. Additionally, the disclosure and presentation of the selected sustainability information were considered. Given the circumstances of the engagement, we performed, among others, the following procedures:

a. 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.

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To the Board of Directors, and Management of
Parex Resources Inc. and its Subsidiaries
Independent Limited Assurance Report

August 3, 2021

b. 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:

   i. Inspection of policies and procedures established by the Company.
   ii. Inspection of internal and external supporting documentation.
   iii. Arithmetical calculations in accordance with formulas previously defined in the reporting criteria included in Appendix I attached.
   iv. Comparison of the contents presented by the Management in its IS20 with what is established in this regard in the "Core" option of the GRI Standards of the Global Reporting Initiative (2016).

The procedures to collect evidence in a limited assurance engagement vary in nature and extension compared to those of a reasonable assurance engagement and, therefore, the assurance level obtained in a limited assurance engagement is less substantial than the obtained in a reasonable assurance engagement. Therefore, we express no reasonable assurance conclusion on whether the selected sustainability information of the Company has been prepared, in all material aspects, in accordance with the criteria detailed in Appendix I.

We consider that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Limited Assurance Conclusion

Based on the procedures performed and evidence obtained:

1. We are not aware of any material amendments that need to be made to the assessment of key performance indicators included in the IS20, for them to be in accordance with the assurance criteria described in Appendix I, attached.

2. Nothing has come to our attention that causes us to believe that the Company's statement included in the IS20 regarding its presentation in accordance with the "Core" option of the 2016 GRI Global Reporting Initiative Standards is not, in all material respects, fairly stated, in accordance with the assurance criteria described in the Annex I, attached.

GRI 102-56

To the Board of Directors, and Management of
Parex Resources Inc. and its Subsidiaries
Independent Limited Assurance Report

August 3, 2021

Use and Distribution Restrictions

This report, including the conclusion, has been prepared solely for the Company's Management to submit it to the Board of Directors, and Management of Parex Resources Inc. and its Subsidiaries, as part of reporting its performance and activities in the IS20. We authorize the release of this report within the 2020 Sustainability Report. To the fullest extent permitted by law, we do not accept or take the responsibility for our work or this report before third parties other than the Company's Management, the Board of Directors, and Management of Parex Resources Inc. and its Subsidiaries, except where terms are expressly agreed with our prior consent in writing.

(Original in Spanish signed by:)

Diego Henao González
Professional Card No. 20732-T
Partner of PricewaterhouseCoopers AG S. A. S.

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APPENDIX

■ GRI 102-56

Appendix I

The assurance criteria detailed below are those applicable to the performance indicators and the presentation statement in accordance with the "Core" option of the GRI Standards (2016) of the Global Reporting Initiative (Limited Assurance Objects), which were defined based on the GRI 101: Foundation (2016) and its Topic-specific Standards (https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-spanish-translations-download-center/), and based on the formalized procedures defined by the management in addition to the aforementioned.

These assessment criteria are an integral part of our Independent practitioner's limited assurance report on the 2020 Sustainability Report of Parex Resources Colombia Ltd. Sucursal for the year ended December 31, 2020.

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
GRI 201-1 Direct economic value generated and distributed	The Company's Administration included in its Sustainability Report 2020 (hereinafter "IS20" by its acronym in Spanish) the result of the GRI Indicator 201-1 corresponding to "Direct economic value generated and distributed" for the period from January 01 to December 31, 2020 (hereinafter "year under review") for the companies Parex Resources Colombia Ltd. Sucursal, Verano Energy Ltd. Sucursal and Parex Resources Inc (hereinafter "reporting companies"). For the definition of this indicator, the Administration took as a basis what is established on page 6 of the Disclosure GRI 201: Economic Performance (2016) (https://www.globalreporting.org/standards/download-the-standards/), and complemented the elements provided by GRI with the following definitions: The direct economic value generated and distributed (EVG&D) is composed as follows: **i. Direct economic value generated:** 1. **Revenues:** corresponds to the figure expressed in millions of US dollars (USD), determined by the amount of total sales of crude oil and gas included in the heading "Oil and natural gas sales" (page 9), section "Consolidated Statements of Comprehensive Income" of the document "Consolidated Financial Statements" which is available at the link: https://parexresources.com/wp-content/uploads/2021/04/Q4-2020.pdf.	✓

Appendix I

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	ii. Distributed economic value: It results from the sum of the following elements: 1. **Operating costs:** are understood as the costs expressed in millions of US dollars (USD) assumed by the reporting companies, which reflect the costs to produce the volumes of crude oil and gas, and also include the value of transporting said volumes to achieve their commercialization, and finally they include the cost of acquisition of some volumes of crude oil that were used to set the product in conditions of commercialization, as established in the headings "production", "transportation" and "Purchased oil" of the section "Expenses" (page 9) of the document "Consolidated Financial Statements" (in Spanish, Estados Financieros Consolidados) which is available in the link: https://parexresources.com/wp-content/uploads/2021/04/Q4-2020.pdf. 2. **Employee wages and benefits:** contains employees' salaries, including amounts paid to government institutions (taxes, levies and unemployment funds) on behalf of employees, total social benefits including periodic contributions (social contributions, company cars and private medical insurance), as well as other social benefits in the form of housing, subsidized loans, transport allowances, training subsidies and compensation payments, as evidenced in note 20 "Employee Salaries and Benefit Expenses" (page 35) of the "Consolidated Financial Statements" document, which is available at the following link: https://parexresources.com/wp-content/uploads/2021/04/Q4-2020.pdf. Salaries and benefits figures are expressed in millions of US dollars (USD). People who perform tasks in the organization but are not direct employees are not included in this item, nor is the cost of protective equipment or other items of expense directly related to the task performed by the employee. 3. **Payments to capital providers:** corresponds to the value of the sum of dividends from all shareholders and interest payments made to the various lenders expressed in millions of US dollars, as evidenced in the section "Management's Discussion and Analysis" (MD&A) subsection "Liquidity and Capital Resources" (page 20) of the Consolidated Financial Statements which is available at the link: https://parexresources.com/wp-content/uploads/2021/04/Q4-2020.pdf.	✓ ✓ ✓ ✓

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Appendix I

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	4. Payments to the government: corresponds to all taxes (corporate, profit, activity, etc.), expressed in millions of US dollars (USD), paid at international, national, municipal and local levels, as set out in page 2 of the document "ESTMA" available in the link https://parexresources.com/wp-content/uploads/2021/05/ESTMA-2020-1.pdf for "taxes" and "royalties". This figure does not include deferred taxes, as they may not materialize. **5. Community investments:** corresponds to the sum of the following items, excluding provisions: • Information included in the documents "Capex Cuentas RSE Ene-Dic 2020 PWC 13 julio.xlsx" and " Opex Cuentas RSE Ene-Dic 2020 PWC 9 jul.XLSX" provided by the Corporate Social Responsibility area (hereinafter, CSR). Such information responds to the balances presented, for this criteria in millions of US dollars (USD), in the following accounting accounts as of December 31, 2020: ○ OPEX: 761917926, 761917927, 761917928, 761917929, 761917930 related to social investment expenses. ○ CAPEX: 715810065, 715810105, 715810210, 715810220, 715810385 related to social investment expenses. • Sustainability expenses reported in the file "Copia de Cuadro auditoria SOS 2020 VF.xlsx", which is provided by the Corporate and Social Responsibility area. **iii. Economic value retained:** corresponds to "direct economic value generated" minus "Economic value distributed", expressed in millions of U.S. dollars. b. When significant, the EVG&D is reported separately at country, regional or market levels and the criteria used: The EVG&D is reported with the consolidated information of the 3 companies of the scope. The EVG&D was not reported separately at country, regional or market level as it is not presented in this way in the Financial Statements.	✓ ✓ ✓ ✓

Appendix I

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	The scope of the assurance work was limited to cross-checking the information reported in the IS20 against the sources mentioned in the criteria, provided by Management, to the validation and recalculation of the formulas established in the criteria based on the information included in those sources. It did not include an assessment of the reasonability of the sources mentioned in the criteria, the assessment of the integrity of the information sources used for the calculation for the year under review, nor the evaluation of the occurrence of the events that originated the report.	
GRI 205-3 Confirmed incidents of corruption and actions taken	The Company's Administration included in its IS20 the result of the GRI indicator 205-3 corresponding to "Confirmed incidents of corruption and actions taken" for the period from January 1 to December 31, 2020 (hereinafter, the year under review) for the companies Parex Resources Inc, Parex Resources Colombia Ltd. Sucursal and Verano Energy Ltd. Sucursal (hereinafter "reporting companies"). For the definition of this indicator, the Administration took as a basis what is established on page 9 of the Disclosure GRI 205: Anti-Corruption (2016), and complemented the elements provided by GRI with the following definitions: **a. The total number and nature of confirmed incidents of corruption:** Corresponds to the sum of confirmed cases related to corruption (according to the description of the case) received through the PQR (Petitions, Complaints and Claims) system during the period under review, plus confirmed cases classified as "Corruption and Bribery" recorded in the EthicsPoint system managed by the Calgary office. Corruption cases subject to investigation during the reporting period that have not been confirmed are not included. **b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.** Corresponds to the number of cases indicated in literal a. of this criteria involving employees in which disciplinary measures were taken on the employees involved.	✓ ✓ ✓

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Appendix I

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. Corresponds to the number of cases indicated in literal a. of this criteria involving contractors that caused the termination or non-renewal of contracts of business partners as a consequence of the case. **d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.** Corresponds to the number of public legal cases related to corruption brought against reporting companies or their employees, according to what is established in the "Certificación ausencia de casos de corrupción a 31 de diciembre de 2020" provided by the Legal Compliance Management, leaving an individual record for each of the cases of this nature. The scope of the assurance was limited to cross-checking the information reported in the IS20 against the sources mentioned in the criteria, provided by the Legal Compliance Management, Human Resources Management and the Compliance Officer. It did not include an assessment of the reasonability of the sources mentioned in the criteria, nor the assessment of the integrity of the information sources used for the calculation for the year under review, nor the evaluation of the occurrence of the events that originated the report.	✓
GRI 303-3 (2018) Water withdrawal	The Company's Administration includes in its IS20, the result of the GRI indicator 303-3 corresponding to "Water withdrawal" for the period from January 01 to December 31, 2020 (hereinafter, the year under review), for the Companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Ltd. Sucursal (hereinafter "reporting companies").	

Appendix I

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	For the definition of this indicator, the Administration took as a basis what is established on page 9 of the Disclosure GRI 303: Water and Effluents (2018), and complemented the elements provided by GRI with the following definitions: **a. Total water withdrawal from all areas (in megaliters), and a breakdown of this total by the following sources, if applicable:** i. surface water, ii. groundwater, iii. produced water and iv. third-party water. The calculation of the total water withdrawal value corresponds to the sum of the catchment data (in megaliters) of each block during the year under review, considering each of the withdrawal sources previously mentioned, consolidated in the document "Consolidado agua GRI Vr 1 .xlsx", which is managed by the Feasibility and Environmental Monitoring Management. The data is recorded internally in cubic meters, but for purposes of reporting this information in IS20, the data is converted to megaliters (ML). The conversion factor used is 1 m^3 = 0.001 ML. The indicator reports information on 14 operational areas (extraction blocks) that perform surface water, groundwater, produced water and third-party water withdrawal activities for domestic and industrial use of the reporting companies during the year under review, as detailed below: • **Surface water:** corresponds to the sum of the monthly data of water collection from the following sources: i) Authorized surface water bodies, according to the daily water collection control records that are consolidated monthly by the environmental management system coordination in the file "Consolidado agua GRI Vr 1 .xlsx", which are presented below: ○ Quebrada La Macaguana, in Capachos block. ○ Upía River, in Cabrestero block. ○ Casanare River, in Llanos 10 block. ○ Rio Negro, in Llanos 94 block.	✓ ✓

Appendix I

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	ii) rainwater captured in the loan area Carmentea of Block Llanos 32, according to the daily water collection control record that is consolidated monthly by the environmental management system coordination in the file " Consolidado agua_ GRI Vr 1 .xlsx". In accordance with the guidelines of GRI indicator 303-3, rainwater captured or collected is included in this category of surface water, i.e. the total value of surface water extraction presented by the reporting companies for this indicator corresponds to the sum of the total value of water captured from rivers and streams plus the total value of rainwater captured in pools. • **Groundwater:** corresponds to the sum of the monthly water catchment data from authorized deep wells, according to the daily water collection control records that are consolidated monthly by the environmental management system coordination in the file "Consolidado agua_ GRI Vr 1 .xls", which are presented below: ○ Deep well Adalia, Llanos block 30 ○ Deep wells Azogue, Kananaskis and Carmentea, Llanos block 32 ○ Deep well Kona, Llanos block 16 ○ Deep well Rumba, Llanos block 26	✓
	• **Produced water:** corresponds to the sum of daily data of water generated as a result of crude oil extraction activities, which are recorded directly in the Corex platform, and are downloaded monthly to a consolidated excel file called "produccion agua 2020 GRI VR 1.xlsx" by the Operations Management. This data is consolidated monthly by the environmental management system coordination in the file "Consolidado agua_ GRI Vr 1 .xlsx". The data comes from the following locations: ○ Cabrestero Block ○ Capachos Block ○ Fortuna Block	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	○ Llanos Block 16 ○ Llanos 26 Block ○ Llanos 32 Block ○ Llanos 40 Block ○ Llanos 94 Block ○ Los Ocarros Block ○ Playón Block ○ Aguas Blancas Block ○ Llanos 30 Block ○ VIM-1 Block	
	• **Third-party water:** corresponds to the sum of the monthly data on water purchased from local and private water suppliers, according to the daily water collection control records consolidated monthly by the coordination of the environmental management system in the document "Consolidado agua_ GRI Vr 1 .xlsx", for the blocks presented below: ○ Aguas Blancas Block ○ Cabrestero Block ○ Fortuna Block ○ Llanos 40 Block ○ Los Ocarros Block ○ Playón Block The calculation of this indicator does not include water associated with the domestic consumption of the supply network of the administrative offices of the reporting companies.	✓
	b. Total water withdrawal from all areas with water stress (in megaliters), and a breakdown of this total by the following sources, if applicable:	✓
	• **Surface water:** corresponds to the total water withdrawal from surface sources in water-stressed areas, as established in the environmental studies of the operational areas of the reporting companies mentioned in paragraph a. of this criteria, which are submitted to the respective environmental authority.	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	• **Groundwater:** corresponds to the total water withdrawn from groundwater sources in water-stressed areas, as established in the environmental studies of the operational areas of the reporting companies mentioned in paragraph a. of this criteria, which are submitted to the respective environmental authority.	✓
	• **Produced water:** corresponds to the total extraction of water generated as a result of crude oil extraction activities in areas with water stress, as established in the environmental studies of the operational areas of the reporting companies mentioned in paragraph a. of this criteria, which are submitted to the respective environmental authority.	✓
	• **Third-party water:** corresponds to the breakdown of the total water withdrawal, based on the withdrawal sources mentioned in item a of this indicator, located in water-stressed areas, as established in the environmental studies of the operational areas of the reporting companies, which are submitted to the respective environmental authority.	✓
	c. A breakdown of total freshwater (≤1,000 mg/L Total Dissolved Solids) and other water (>1,000 mg/L Total Dissolved Solids) withdrawals, considering each of the sources i to iv indicated in letters a and b (in megaliters), as described below:	✓
	i. **fresh water:** as established in the GRI indicator 303-3, fresh water has a total concentration of dissolved solids equal to or less than 1,000 mg/l, therefore, this category includes water extracted from surface water sources (rain) reported in paragraph a. of this criteria, surface water (rivers), groundwater, produced water and water from third parties reported in paragraph a. of this criteria, whose dissolved solids value is less than or equal to 1.000 mg/l, as established in the water characterization monitoring reports from the catchment points of surface water sources (rivers), groundwater, produced water and according to the verification of the water supplier's requirements for third-party water, as established in the following formula: Dissolved solids = total solids − suspended solids	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	ii. **other waters:** as established in GRI indicator 303-3, other waters have a total concentration of dissolved solids greater than 1,000 mg/L, which is why this category includes surface water (rivers), groundwater, produced water and water from third parties, reported in item a of this criteria, which have not been classified as freshwater (item c, i). If characterization reports are not available, the water characterization monitoring reports of the blocks that have this information available are used as a reference.	✓
	d. Any criteriaal information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used. The sustainability report must include the global formula for calculating the total amount of water withdrawn in all areas (in megaliters), which corresponds to: Total water withdrawn ML= surface water (rivers and rainwater) ML+ groundwater from wells ML+ produced water ML+ water from third parties (purchased from suppliers) ML The scope of the assurance is limited to cross-checking the information reported in the IS20 against the sources mentioned in the criteria, provided by the Environmental Viability and Monitoring Management and the Operations Management, to the validation, based on samples, of the existence of the source data, and to the recalculation of the final values of the established formulas in the criteria based on the information included in those sources, for selected samples. It did not include an assessment of the reasonability of the sources mentioned in the criteria, nor the assessment of the integrity of the information sources used for the calculation for the year under review, nor the evaluation of the occurrence of the events that originated the report.	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
GRI 305-1 Direct (Scope 1) GHG emissions	The Company's Administration includes in its IS20, the result of the GRI indicator 305-1 corresponding to "Direct (Scope 1) GHG emissions" for the period from January 1 to December 31, 2020 (hereinafter, the year under review), for the companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Ltd. Sucursal (hereinafter "reporting companies"). For the definition of this indicator, the Administration took as a basis what is established on page 7 of the Disclosure GRI 305: Emissions (2016), and complemented the elements provided by GRI with the following definitions: **a. Gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent.** The indicator reports information on the operating areas (extraction blocks), in which activities associated with the emission of Greenhouse Gases (GHG) scope 1 of the reporting companies during the year under review are carried out, which are detailed below: ○ Cabrestero Block ○ Capachos Block ○ Fortuna Block ○ Llanos 16Block ○ Llanos 26 Block ○ Llanos 30 Block ○ Llanos 32 Block ○ Llanos 40 Block ○ Los Ocarros Block ○ Playón Block ○ Aguas Blancas Block ○ Merecure block ○ VIM-1 Block This value is obtained by calculating the total direct GHG emissions, generated by the reporting companies, of the gases Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O) and Hydrofluorocarbons (HCF) including R-22, R-410a and R4-22d, as established in the document "Informe GEI Parex_30062021_VF.pdf", provided by the Sustainability Area.	✓ ✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	To calculate the emissions associated with each gas, the method is used which consists of combining the information on the extent to which a human activity takes place (called activity data or DA) with the coefficients that quantify the emissions or removals per unit activity, called emission factors (EF). Thus, the basic equation is: **Emissions = DA * EF** According to the above, Scope 1 emissions are calculated according to the following formula: ***Direct GHG emissions (Scope 1) in tons of CO_2e =*** *tons of CO_2 equivalent emissions from fuel combustion activities for power generation + tons of CO_2 equivalent emissions from fugitive emissions from cooling systems + tons of CO_2 equivalent emissions from fugitive emissions from the operation.* The elements included in the above formula are detailed below: **I. Tons of CO_2 equivalent emissions from fuel combustion activities for power generation:** corresponds to fuel consumption (mobile and stationary diesel, crude oil, COESGEN, GLP and natural gas) used in the aforementioned operating areas, during the period under review, multiplied by the density, caloric value and emission factors included in the table in item e, defined by the Intergovernmental Panel on Climate Change (hereinafter IPCC, 2006) and the Colombian Fuel Emission Factors FECOC (2015), for each type of fuel. The emission factors are expressed in kilograms per terajoule (Kg/Tj) and are converted using the International Metric System and the references of the metrology unit of the Superintendence of Industry and Tourism of Colombia, as established in the documents "Informe GEI Parex_22072021_V1.5.pdf" and "CALCULOS GEI_PAREX FINAL 22072021.xlsx", both managed by the Sustainability Area. The following formula is used to consolidate emissions from fuel combustion activities for energy generation in tons of CO_2: **Tons of CO_2 equivalent emissions = Ton CO_2 + (Ton CH_4*PCG) + (Ton N_2O*PCG)**	✓ ✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	II. Ton of CO_2 equivalent emissions due to fugitive emissions from refrigeration systems: corresponds to the values of leaks in refrigeration and air conditioning equipment used in production activities in the blocks concessioned to the reporting companies, which are mentioned below: ○ Cabrestero Block ○ Capachos Block ○ Llanos 26Block ○ Llanos 30 Block ○ Llanos 32 Block ○ Llanos 40 Block ○ Los Ocarros Block For the estimation of emissions associated with refrigeration and air conditioning equipment, the average leakage of refrigerant gas reported by equipment manufacturers is considered, which corresponds to about 3% per year in commercial equipment with capacity between 0.5 and 100 kilograms of refrigerant, according to the IPCC 2016 guidelines. The calculation of emissions includes the number of equipment used in the aforementioned operational areas and corresponds to the leakage of each gas multiplied by the global warming potentials of each gas included in the table in item e. For the consolidation of emissions in tons of CO_2 equivalent, the following formula is applied: **Tons of CO_2 equivalent emissions= Ton CO_2 + (Ton HFC R-22*PCG) + (Ton HFC R-410a*PCG) + (Ton HFC R-422d*PCG)**	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	III. Ton of CO_2 equivalent emissions from fugitive emissions from the operation: corresponds to the values of emissions from the operation: i) natural gas flaring (tea) which refers to the values of gas flaring (in m^3) generated in the extraction of crude oil recorded in the COREX platform in the following operation blocks: ▪ Aguas Blancas ▪ Llanos 16, 26, 30, 30, 32, 40 ▪ Capachos ▪ Boranda ▪ Fortuna ▪ VIM-1 ▪ Los Ocarros The calculation of emissions corresponds to the amount of gas burned multiplied by the emissions factor determined for each gas, included in the table in paragraph e, provided by the IPCC (2006) for the categories associated with fugitive emissions, as established in the documents "Informe GEI Parex_22072021_V1.5.pdf" and "CALCULOS GEI_PAREX FINAL 22072021.xlsx", both managed by the Sustainability Area. For the consolidation in tons of CO_2 equivalent, the following formula is applied, using the global warming potentials established by IPCC (2007) mentioned in paragraph e. **Tons of CO_2 equivalent emissions = Ton CO_2 + (Ton CH_4*PCG) + (Ton N_2O*PCG)** ii) venting which refers to the released gas values (m3) in the following operation blocks: ▪ Adalia ▪ Aguas Blancas ▪ Begonia ▪ Boranda	✓ ✓ ✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	▪ Capachos ▪ Las Maracas ▪ Kona ▪ Azogue ▪ Akira/Kitaro ▪ La Belleza ▪ Totumal ▪ Tamariniza ▪ Rumba-Bazar ▪ Kananaskis ▪ Carmentea ▪ PTG Llanos 32 The calculation of emissions corresponds to the annual values of natural gas released in the operating areas mentioned above, during the period under review, multiplied by the average value of gas density according to the chromatographies carried out by the reporting companies included in the table in paragraph e, and by the percentage of CH_4 and CO_2 present in the natural gas produced in each field, as established in the documents "Informe GEI Parex_22072021_V1.5.pdf" and "CALCULOS GEI_PAREX FINAL 22072021.xlsx", both managed by the Sustainability Area. For the consolidation in tons of CO_2 equivalent, the following formula is applied, using the global warming potentials established by IPCC (2007) mentioned in the table in item e. **Tons of CO_2 equivalent emissions= Ton CO_2+ (Ton CH_4*PCG) + (Ton N_2O*PCG)** iii) Leaks, or other fugitive emissions: emissions associated with valves and connection points that refer to leaks that occur in equipment, valves, seals during the production of gas and crude oil. The calculation corresponds to the amount of fugitive gas, multiplied by the emissions factor determined for each gas, included in the table (item e), as established in the documents "Informe GEI Parex_22072021_V1.5.pdf" and "CALCULOS GEI_PAREX FINAL 22072021.xlsx", both managed by the Sustainability Area.	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	For the consolidation in tons of CO_2 equivalent, the following formula is applied, using the global warming potentials established by IPCC (2007) mentioned in the table in item e. **Tons of CO_2 equivalent emissions= Ton CO_2 + (Ton CH_4*PCG)** **b. Gases included in the calculation: CO_2, CH_4, N_2O, HFC, PFC, SF_6, NF_3 or all.** The gases included in the calculation correspond to:	✓

Emission source	CO_2	CH_4	N_2O	Refrigerant gases (R/22, R/410a, R/422d)
Fuel combustion for power generation	X	X	X	
Fugitive emissions from refrigeration systems				X
Natural gas flaring (tea)	X	X	X	
Venting	X	X		
Leaks related to gas and crude oil production	X	X		

c. Base year for the calculation, if applicable, including: These correspond to the tons of CO_2 equivalent from the combustion of biofuels, in Colombia diesel and gasoline are marketed with an approximate content of 10% biofuels, these emissions are reported separately to the gross value of emissions established in numeral a, literal i of this criteria, as established by the IPCC (2006) and are excluded from the biogenic emissions of other types of GHG (such as CH_4 and N_2O). The calculation corresponds to the total emissions from burning CO_2 in fuels for power generation, multiplied by 10% as established in the documents "Informe GEI Parex_22072021_V1.5.pdf" and "CALCULOS GEI_PAREX FINAL 22072021.xlsx", both managed by the Sustainability Area.	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	d. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source Emission factors, global warming potential rates and other relevant conversion factors are used according to the following sources:	✓

Emission factors, densities and caloric values		
Concept	**Value**	**Source**
Crude Net caloric value - stationary	0.000041 (TJ/Kg)	FECOC, 2016. Emission factors of Colombian fuels. Bogota, Colombia.
Diesel net caloric value - stationary (TJ/Kg)	0.000042149 (TJ/Kg)	
Mobile Diesel Net Caloric value (TJ/Kg)	0.000042149 (TJ/Kg)	
COESGEN Net caloric value (TJ/Kg)	4.04E-05 (TJ/Kg)	
GLP Net caloric value (TJ/Kg)	0.000099 (TJ/Kg)	
Natural gas Net caloric value (TJ/Kg)	0.000036 (TJ/Kg)	
Crude density - stationary	0.939 (Kg/l)	
Diesel density - stationary	0.86 (Kg/l)	
B10 Diesel Density / mobile (light vehicle)	0.86 (Kg/l)	
COESGEN Density	0.849 (Kg/l)	
GLP density	0.78 (Kg/l)	
Natural gas density - stationary Colombia	0.78 (Kg/l)	
CO_2 emission factor Crude oil - stationary	77,956 (Kg/TJ)	FECOC, 2016. Emission factors of Colombian fuels. Bogota, Colombia
CH_4 Crude emission factor - stationary	5.5 (Kg/TJ)	IPCC (2006).
N_2O Crude emission factor - stationary	1.1 (Kg/TJ)	IPCC (2006).
Diesel - stationary $_{CO2}$ emission factor	74,831 (Kg/TJ)	FECOC, 2016. Emission factors of Colombian fuels. Bogota, Colombia
CH_4 Diesel emission factor - stationary	5.5 (Kg/TJ)	IPCC (2006).

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A

Emission factors, densities and caloric values		
Concept	**Value**	**Source**
Diesel - stationary N_2O emission factor	1.1 (Kg/TJ)	IPCC (2006).
CO_2 B10 Diesel emission factor / mobile (light vehicle)	74,831 (Kg/TJ)	FECOC, 2016. Emission factors of Colombian fuels. Bogota, Colombia
CH_4 B10 Diesel emission factor / mobile (light duty vehicle)	5.6 (Kg/TJ)	IPCC (2006).
N_2O B10 Diesel emission factor / mobile (light-duty vehicle)	6.7 (Kg/TJ)	IPCC (2006).
CO_2 COESGEN emission factor	78,281 (Kg/TJ)	FECOC, 2016. Emission factors of Colombian fuels. Bogota, Colombia
CH_4 COESGEN emission factor	5.5 (Kg/TJ)	IPCC (2006).
N_2O COESGEN emission factor	1.1 (Kg/TJ)	IPCC (2006).
CO_2 GLP emission factor	47,289 (Kg/TJ)	FECOC, 2016. Emission factors of Colombian fuels. Bogota, Colombia
CH_4 GLP emission factor	1.7 (Kg/TJ)	IPCC (2006).
N_2O GLP emission factor	1.5 (Kg/TJ)	IPCC (2006).
CO_2 Natural gas emission factor - stationary Colombia	55,539 (Kg/TJ)	FECOC, 2016. Emission factors of Colombian fuels. Bogota, Colombia
CH_4 Natural gas emission factor - stationary Colombia	1.7 (Kg/TJ)	IPCC (2006).
N_2O Natural gas emission factor - stationary Colombia	0.2 (Kg/TJ)	IPCC (2006).

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A

Emission factors, densities and caloric values

Concept	Value	Source
CH_4 gas production emission factor	0.00038 Gg per 1,000,000 m3 of gas production	IPCC (2006). Guidelines for National Greenhouse Gas Inventories. National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds.). (eds). Published: IGES, Japan. Chapters 1, 2, 3 and 5.
CO_2 gas production emission factor	0.000014 Gg per 1,000,000 m3 of gas production	
CH_4 crude oil production emission factor	0.0000015 Gg per 1,000,000 m3 gas production	
CO_2 crude oil production emission factor	0.00000011 Gg per 1,000,000 m3 of gas production	
Transported in tractor-trailers CH_4 crude Emission factor	0.000025 Gg per 1,000,000 m3 gas production	
Transported by tractor-trailer CO_2 crude Emission factor	0.0000023 Gg per 1,000,000 m3 gas production	
CH_4 Torch burning emission factor	0.012 Gg per 1,000,000 m3 of gas production	
CO_2 Torch burning emission factor	2 Ggg per 1,000,000 m3 of gas production	
N_2O emission factor Flare burning	0.000023 Gg per 1,000,000 m3 gas production	

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A

Emission factors, densities and caloric values

Concept	Value	Source
CH_4 density	0.68 (kg/m3)	Chromatography analysis advanced by PAREX Resources
CO_2 density	1,842 (kg/m3)	

Global warming potential values (Potential Global Warming Values)

Component	Emission factor/ GWP	Source
CO_2	1	IPCC, 2007. Climate Change 2007: The Physical Science Basis. S. Solomon et al., eds. Cambridge University Press, Cambridge UK.
CH_4	25	
N_2O	298	
HFC: R/22	1760	
HFC: R/410a	1924	
HFC: R/422d	2479	

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	e. Consolidation approach for emissions; whether equity share, financial control, or operational control. The reporting company considers operational control as an approach to consolidate emissions. Such operational limits are defined in the table below, as established in the document "Informe GEI Parex_22072021_V1.5.pdf" managed by the Sustainability Area.	

Operational limits (activities) of the GHG inventory (Scope 1)		
Activities performed in the production fields and administrative offices	**Emission sources associated to the activities**	
Production of gas and crude oil	Stationary and mobile diesel consumption	✓
	Crude Oil consumption	
	Gas consumption	
	COESGEN consumption	
	GLP consumption	
	Torch burning	
	Venting	✓
	Fugitive emissions gas and crude oil transportation	
Administrative activities	Air conditioning in operations	

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	g. Standards, methodologies, assumptions and/or calculation tools used. Corresponds to the emission factors, densities, caloric value taken by the reporting companies from IPCC (2007) and FECOC (2016), the estimation of GHG emissions is performed following the IPCC (2006) methodology and the GHG inventory report is prepared following the specifications of the Colombian technical standard ISO 14064-1. Finally, in relation to the calculation of the uncertainty associated with the source, it is used the methodology of the IPCC 2006 according to the Conceptual Basis for Uncertainty Analysis and the uncertainties associated with the values reported for each of the default data (data generated in other investigations) that were used. The total uncertainty for the total inventory was estimated according to the following equation (IPIECA 2011): $$t = \frac{\sqrt{(A \times a)^2 + (B \times b)^2 + \ldots + (N \times n)^2}}{T}$$ Where, t: Total uncertainty T: Total greenhouse gas emissions. A=category A emissions, a=uncertainty of category A emissions, B=category B emissions, b=uncertainty of category B emissions, ...N=category N emissions, n=uncertainty of category N emissions. The scope of the assurance is limited to cross-checking the information reported in the IS20 and in the GHG Inventory, in relation to the sources mentioned in the criteria, provided by the Sustainability Coordination (which consolidates this information from the records and reports of other areas of the companies); to the validation, based on samples, of the existence of the source data, and to the recalculation of the final values of the established formulas in the criteria based on the information included in those sources, for selected samples. It did not include assessment of the reasonability of the sources mentioned in the criteria, emission factors, caloric values, densities and global warming potentials mentioned in the criteria, the integrity of the information sources used for the calculation for the year under review, nor the evaluation of the occurrence of the events that originated the report.	✓ ✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
GRI 306-3 Significant spills	The Company's Administration includes in its IS20 the result of the GRI indicator 306-3 corresponding to "Significant spills" for the period from January 01 to December 31, 2020 (hereinafter, the year under review) for the Company(s) Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter "reporting companies"). For the definition of this indicator, the Administration took as a basis what is established on page 9 of Disclosure GRI 306: Effluents and Waste, from Global Reporting Initiative (GRI) Standard (2016), and complemented the elements provided by GRI with the following definitions: **a. Total number and total volume of recorded significant spills.** The calculation of the indicator corresponds to the number of events and quantity of barrels associated with oil, fuel or crude water spills in which more than one barrel has been spilled and its volume has not been contained, as established by management, for which it is considered: i) the number of events and volume of spills of oil barrels, crude water or fuel occurring in all production areas within the reporting period, whose documentary record are the preliminary reports of the event consolidated monthly by the SISO professional in the document called "Matriz de eventos 2020", which is managed by the Occupational Health and Safety Management. ii) the number of events and volume of spills of oil barrels and fuel that occurred during the transportation of crude oil barrels during the reporting period, whose documentary record are the preliminary reports of the event consolidated monthly by the SISO professional in the document called "Matriz de eventos 2020", which is managed by the Occupational Health and Safety Management. **b. The following additional information for each spill that was reported in the organization's financial statements:** corresponds to the information of location, date, volume, product, description and classification of the spill for events associated with significant spills, understood as spills larger than one barrel and that are not contained, as evidenced in the document "Matriz de eventos 2020" which is managed by the Occupational Health and Safety Management, and which should be included in the financial statements of the company.	✓ ✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	c. Impacts of significant spills. corresponds to the information on the impact derived from significant spills generated by the reporting companies, as detailed in the document "Reporte preliminar oficial 12 horas" administered by the Occupational Health and Safety Management. The scope of the assurance is limited to cross-checking the information reported in the IS20 against the sources mentioned in the criteria, provided by the Occupational Health and Safety Management, the validation on the basis of samples of the existence of the cases registered in the source documents; And it did not include the evaluation of the reasonableness of the sources mentioned in the criteria nor the evaluation of the integrity of the documentation supports in the year under review nor the evaluation of the occurrence of the events that originated the report.	✓
GRI 401-1 New employee hires and employee turnover 2016	The Company's Administration included in its IS20 the result of the GRI indicator 401-1 corresponding to " New employee hires and employee turnover" for the period from January 01 to December 31, 2020 (hereinafter, the year under review) for the companies Parex Resources Inc, Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter "reporting companies"). For the definition of this indicator, the Administration took as a basis what is established on page 7 of Disclosure GRI Content 401: Employment, and complemented the elements provided by GRI with the following definitions: **a. Total number and rate of new employee hires** during the reporting period, by age group, gender and region, as recorded in the file "31 DIC 2020.XLSX" and in the document "GRI 28 DE JULIO 2021.xlsx ", provided by the company's Human Resources area, following the instructions below: **Total number of new hires:** corresponds to the sum of employees hired during 2020 in Colombia and Calgary, as shown in the file "GRI 28 DE JULIO 2021.xlsx". **Number of hired employees classified by age:** corresponds to the number of employees hired in Colombia and Calgary during 2020 classified according to the following age ranges, according to the file "GRI 28 DE JULIO 2021.xlsx". • Under 30 years old • Between 31 and 50 years old • Older than 51 years old	✓ ✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	Number of hired employees classified by gender: corresponds to the sum of employees hired in 2020 in Colombia and Calgary classified according to gender (men and women). This classification is made according to the file "31 DIC 2020.XLSX" file.	✓
	Number of hired employees classified by region: corresponds to the sum of employees hired in 2020 classified by the region in which they work, as referenced in the file "31 DIC 2020.XLSX" together with the employees hired in Calgary according to the file " GRI 28 DE JULIO 2021.xlsx ". It is valid to clarify that the "Oficina" classification corresponds to the city of Bogota. The classification corresponding to regions is presented below: • Office - Bogotá • Yopal • Tame • Barranca • Canada	✓
	Reporting companies, in accordance with GRI Indicator 401-1 "When compiling the information specified in Disclosure 401-1, the reporting organization shall use the total employee numbers at the end of the reporting period to calculate the rates of new employee hires and employee turnover". For each of the above classifications, the following formula is used: $\frac{\text{Number of new hires}}{\text{(Total number of employees in Colombia + Calgary as of Dec 31, 2020)}}$	✓
	b. Total number and rate of employee turnover during the reporting period, by age group, gender and region, as indicated in the Excel file "Retiros 31 de dic 2020.xlsx" provided by the company's Human Resources area, following the instructions below: **Total number of retirements:** This is the sum of the employees who retired during 2020 in Colombia and Calgary, according to the file "Retiros 31 de dic 2020.xlsx".	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	Number of retired employees classified by age: corresponds to the number of retired employees in Colombia and Calgary during the year 2020 classified according to the following age ranges, according to the file "Retiros 31 de dic 2020.xlsx". • Under 30 years old • Between 31 and 50 years old • Older than 51 years old	✓
	Number of retired employees classified by gender: corresponds to the sum of employees hired in 2020 in Colombia and Calgary classified by gender (men and women) according to the file "Retiros 31 de dic 2020.xlsx".	✓
	Number of retired employees classified by region: corresponds to the sum of retired employees in 2020 classified by the region in which they performed their work, for the employees of Parex Resources Colombia Ltd. Sucursal and Verano Energy Ltd. Sucursal this information is recorded in the file named " Retiros 31 de dic 2020.XLSX" , the classification "Oficina" corresponds to the city of Bogota. For Parex Resources Inc. employees this information is recorded in the file "GRI 28 DE JULIO 2021.xlsx". The regions defined for this criteria are presented below: • Office - Bogotá • Yopal • Tame • Barranca • Canada	✓
	Reporting companies, in accordance with GRI Indicator 401-1 "When compiling the information specified in Disclosure 401-1, the reporting organization shall use the total employee numbers at the end of the reporting period to calculate the rates of new employee hires and employee turnover." Calculate the employee turnover rate for each of the above classifications is calculated as follows: $\frac{\text{Number of retirements}}{\text{(Total number of employees in Colombia + Calgary as of Dec31, 2020)}}$	✓

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Appendix I

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	The scope of the assurance was limited to cross-checking the information reported in the IS20 against the sources mentioned in the criteria, provided by the Human Resources area, the validation on the basis of samples of the existence of the cases registered in the source documents and the recalculation of the formulas established in the criteria based on the information included in said sources; And it did not include the evaluation of the reasonableness of the sources mentioned in the criteria nor the evaluation of the integrity of the documentation supports in the year under review, nor the evaluation of the occurrence of the events that originated the report.	
GRI 403-9 (2018) Work-related injuries	The Company's Administration includes in its IS20 the result of the GRI indicator 403-9 "Work-related injuries" for the Companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter the reporting companies) in the period from January 01 to December 31, 2020 (hereinafter, the year under review). For the definition of this indicator, the Administration took as a basis what is established on pages 19 and 20 of Disclosure GRI 403: Occupational Health and Safety, from Global Reporting Initiative (GRI) Standard (2018), and complemented the elements provided by GRI with the following definitions: **1. For all employees:** They are understood as direct employees of the reporting companies. **i. The number and rate of fatalities as a result of work-related injury.** **Number of deaths resulting from a work-related injury:** Corresponds to the sum of deaths of employees resulting from a work-related injury in the year under review, as indicated in the document "210730 DATA SASB GRI - PWC drosas.xlsx", whose source of information is document "Matriz eventos 2020.xlsm", which is operated by the Health and Safety Manager; and the Industrial Safety and Occupational Health Professional. **Number of hours worked by employees:** See description below in section 1.v.	✓ ✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	Rate: It corresponds to the application of the following formula: $$= \frac{(\text{Number of fatalities resulting from a work related injury of employees}) * 200.000}{(\text{Number of hours worked by employees})}$$ The application of this calculation formula depends on the occurrence of fatalities during the year under review. If there are no cases, the rate corresponds to zero (0). **ii. The number and rate of high-consequence work-related injuries (excluding fatalities).** **The number and rate of high-consequence work-related injuries (excluding fatalities):** Corresponds to the total number of cases, in the year under review, in which employee injuries lead to such damage that the worker cannot recover or does not fully recover the state of health condition prior to the accident, or that the worker is not expected to fully recover the health condition prior to the accident, within 6 months For the calculation of high-consequence work-related injuries, the reporting companies considered the accidents classified as a Lost Time Incident (LTI) which comply with the degree of injury severity and lost time of the definition mentioned above, as established in the file "210730 DATA SASB GRI - PWC drosas.xlsx", whose source of information is document "Matriz eventos 2020.xlsm", which is operated by the Health and Safety Manager; and the Industrial Safety and Occupational Health Professional, which is not entirely provided due to sensitive information issues. Excel "Matriz eventos 2020.xlsm". LTI accidents that do not comply with the characteristics of the GRI standard will be added to the recordable accidents. **Number of hours worked by employees:** See description below in section 1.v.	✓ ✓ ✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	Rate of injury due to work-related injuries with major consequences (excluding fatalities): It corresponds to the application of the following formula: $= \frac{(\text{Number of high consequence work related injuries (excluding fatalities) of employees}) * 200.000}{(\text{Number of hours worked by employees})}$ The application of this calculation formula depends on the occurrence of cases during the year under review. If there are no cases, the rate corresponds to zero (0).	✓
	iii. The number and rate of recordable work-related injuries. **Number of recordable work-related injuries:** Corresponds to the sum of cases of employee injuries with some 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 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, occurred to employees, during the year under review, as detailed in the Excel file "lesiones a personas - registrables 2020.xlsx", managed by the Occupational Health and Safety Management. All work-related accidents are reported to the ARL, however, only accidents occurring during the performance of work-related activities are considered recordable. Therefore, accidents that take place during the development of the excepted activities described in numeral 3.2 "Definition of Work Related" (in Spanish, "Definición de Relación con el Trabajo") of the document "COL-HSEQ-PR-052 Procedimiento Reporte Registro y Datos Estadísticos HS.pdf", prepared by the reporting companies, are not considered recordable.	✓
	Number of hours worked by employees: The source of the number of hours worked by employees is described below in section 1.v.	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	Rate: It corresponds to the application of the following formula: $= \frac{(\text{Number of recordable work related injuries of employees}) * 200.000}{(\text{Number of hours worked by employees})}$ The application of this calculation formula depends on the occurrence of cases during the year under review. If there are no cases, the rate corresponds to zero (0).	✓
	iv. The main types of work-related injury. Corresponds to the types of injuries that can be suffered by both an employee and a contractor of the reporting companies, including fatal incidents (FAT), disabling (LTI), restricted work (RWC), requiring medical treatment (MTC) and first aid (FAC), according to what is established in the "Clasificación" column of the file "lesiones a personas - registrables 2020.xlsx", whose source of information is the file "Matriz eventos 2020.xlsm" elaborated from the document "COL-HSEQ-PR-052 Procedimiento Reporte Registro y Datos Estadísticos HS.pdf".	✓
	v. The number of hours worked. Corresponds to the record of total hours worked by employees during the year under review, consolidated in the HS sheet of the Excel document "210730 DATA SASB GRI - PWC drosas.xlsx " in which data about contractors and employees is expressed separately, the document is managed by the Occupational Health and Safety Management.	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✓) - N/A
	2. For contractors of reporting companies, understood as all workers who are not employees, but whose jobs and/or workplaces are controlled by the organization.	✓
	i. The number and rate of fatalities as a result of work-related injuries: **Number of fatalities resulting from a work-related injury of contractors:** Corresponds to the sum of fatalities of contractors as a result of a work-related injury in the year under review, as recorded in the file "210730 DATA SASB GRI - PWC drosas.xlsx", whose source of information is document "Matriz eventos 2020.xlsm", which is operated by the Health and Safety Manager; and the Industrial Safety and Occupational Health Professional.	✓
	Number of hours worked by contractors: See description in section 2.v. below.	
	Rate of fatalities resulting from a work-related injury: It corresponds to the application of the following formula: $= \frac{(\text{Number of fatalities resulting from a work related injury of contractors}) * 200.000}{(\text{NNumber of hours worked by contractors})}$ The application of this calculation formula depends on the occurrence of fatalities during the year under review. If there are no cases, the rate corresponds to zero (0).	✓
	ii. The number and rate of high-consequence work-related injuries (excluding fatalities). **Number:** Corresponds to the total number of cases, in the year under review, in which contractor injuries lead to such damage that the worker cannot recover or does not fully recover the state of health condition prior to the accident, or that the worker is not expected to fully recover the health condition prior to the accident, within 6 months	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✓) - N/A
	For the calculation of high-consequence work-related injuries, the reporting companies considered the accidents classified as a Lost Time Incident (LTI) which comply with the degree of injury severity and lost time of the definition mentioned above, as established in file "210730 DATA SASB GRI - PWC drosas.xlsx", whose source of information is document "Matriz eventos 2020.xlsm", which is operated by the Health and Safety Manager; and the Industrial Safety and Occupational Health Professional, which is not entirely provided due to sensitive information issues. Excel "Matriz eventos 2020.xlsm". The LTI cases that do not comply with the characteristics of the GRI standard will be added to the recordable accidents.	✓
	Number of hours worked by contractors: See description in section 2.v. below. **Rate:** It corresponds to the application of the following formula: $= \frac{\text{Number of high consequence work related injuries (excluding fatalities) of contractors} * 200.000}{\text{Number of hours worked by contractors}}$ The application of this calculation formula depends on the occurrence of cases during the year under review. If there are no cases, the rate corresponds to zero (0).	✓
	iii. The number and rate of recordable work-related injuries. **Number:** Corresponds to the sum of contractor injury cases with some 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 diagnosed by a doctor or other healthcare 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, occurred to employees, during the year under review, as detailed in the Excel file "lesiones a personas - registrables 2020.xlsx", managed by the Occupational Health and Safety Management.	✓

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Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	Therefore, accidents that take place during the development of the excepted activities described in numeral 3.2 "Definition of Work-Related Activities" (in Spanish, "Definición de Relación con el Trabajo") of the document "COL-HSEQ-PR-052 Procedimiento Reporte Registro y Datos Estadísticos HS.pdf", prepared by the reporting companies, are not considered recordable.	✓
	Number of hours worked by employees: The source of the number of employee man-hours worked is described in section 2.v. below.	
	Rate:	✓
	It corresponds to the application of the following formula: $$\frac{(\text{Number of recordable work related injuries of contractors}) * 200.000}{(\text{Number of hours worked by contractors})}$$	✓
	The application of this calculation formula depends on the occurrence of cases during the year under review. If there are no cases, the rate corresponds to zero (0).	
	iv. The main types of work-related injury.	✓
	Corresponds to the types of injuries that can be suffered by both an employee and a contractor of the reporting companies, including fatal incidents (FAT), disabling (LTI), restricted work (RWC), requiring medical treatment (MTC) and first aid (FAC), according to what is established in the "Clasificación" column of the file "lesiones a personas - registrables 2020.xlsx", whose source of information is the file "Matriz eventos 2020.xlsm" elaborated from the document "COL-HSEQ-PR-052 Procedimiento Reporte Registro y Datos Estadísticos HS.pdf". Only accidents occurring during the performance of work-related activities are considered recordable.	

Appendix I

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	v. The number of hours worked.	✓
	Corresponds to the record of the total number of hours worked by contractors during the year under review. This information is consolidated for both employees and contractors in the Excel file "Matriz eventos 2020.xlsm" and in the HS sheet of the Excel document "210730 DATA SASB GRI - PWC drosas.xlsx" the information is recorded separately for employees and contractors, both documents are managed by the Occupational Health and Safety Management.	
	The report of hours worked includes the kilometers traveled, and it is done by the contractors the first five days of the month after the period in which they developed the activities in operations of the reporting companies. This report is made in a web tool designed by Parex. Subsequently, in the same tool, the respective Parex's contract administrator approves the reports.	✓
	The approved reports are exported to an Excel file and those are supplemented with data on hours worked by contractors and kilometers crude transport routes (this information comes from the Ciclop tool of marketing and transport control) and personnel transport (this information is validated with the billing of these services). The result of this consolidation between hours worked by employees and contractors in the Excel file "Matriz eventos 2020.xlsm" and in the HS sheet of the Excel document "210730 DATA SASB GRI - PWC drosas.xlsx" are the values separated by employees and contractors.	✓
	3. **The work-related hazards that pose a risk of high-consequence injury, including:** i. How these hazards have been determined; ii. Which of these hazards have caused or contributed to high-consequence injuries during the reporting period; and iii. Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.	✓
	Corresponds to the work-related hazards that present a risk of injury, including details i, ii, and iii above, for the reporting companies, as established in the document "COL-HSEQ-IN-008 Instructivo matriz de identificación de peligros evaluación de riesgos y determinación de controles.pdf" during the reporting period.	

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Appendix I

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	4. Actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls. Corresponds to the controls that must be carried out for each of the risks identified and associated with the hazards of the reporting companies, according to the control hierarchy, as established in the procedure detailed in "COL-HSEQ-IN-008 Instructivo matriz de identificación de peligros evaluación de riesgos y determinación de controles.pdf" administered by the Occupational Health and Safety Management.	✓
	5. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked. Corresponds to the mention of whether the reporting companies perform the calculations on 200,000 or 1,000,000 hours worked, as evidenced in the Excel "210730 DATA SASB GRI - PWC drosas.xlsx", managed by the Occupational Health and Safety management.	✓
	a. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. Corresponds to the mention of whether the total number of employees and contractors involved in the operation is included, as established in the answers to the Limited Assurance Form - Sustainability Report 2020.	✓
	a. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used. Corresponds to additional contextual information from the sources mentioned in this criteria, where the necessary procedures for the collection and calculation of the information are explained.	✓

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Appendix I

Indicators subject to limited assurance	Criteria	Nothing caught our attention (✔) - N/A
	The scope of the assurance was limited to the cross-checking of the information reported in the IS20 against the sources mentioned in the criterion, provided by the Occupational Health and Safety Management, the validation on the basis of samples of the existence of the cases registered in the source documents and the recalculation of the formulas established in the criteria based on the information included in said sources; And it did not include the evaluation of the reasonableness of the sources mentioned in the criteria nor the evaluation of the integrity of the documentation supports in the year under review, nor the evaluation of the occurrence of the events that originated the report.	
GRI 412-2 Employee training on human rights policies or procedures	The Company's Administration included in its IS20 the result of the GRI indicator 412-2 " Employee training on human rights policies or procedures " for the period from January 1 to December 31, 2020 (hereinafter, the year under review) for the companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Ltd. Sucursal (hereinafter "reporting companies"). For the definition of this indicator, the Administration took as a basis what is established on page 8 of Disclosure GRI 412: Human Rights Assessment, from Global Reporting Initiative (GRI) Standard (2016), and complemented the elements provided by GRI with the following definitions: **a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.** Corresponds to the hourly intensity of the Human Rights course taught on the virtual platform www.prime-virtual.com (a private campus for the exclusive use of PAREX provided by Prime Business SAS), multiplied by the number of direct employees in Colombia of the reporting companies that obtained a certificate of completion of the aforementioned course during the year under review. *Total number of hours of human rights training =* *Hourly intensity of the Human Rights course * Number of employees who received a certificate for the Human Rights course*	✓

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Indicators subject to limited assurance		Nothing caught our attention (✔) - N/A
	For the definition of this indicator, the Administration took as a basis what is established on page 6 of Disclosure GRI 419: Socioeconomic Compliance (2016), and complemented the elements provided by GRI with the following definitions: **a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area with respect to the following:** Corresponds to the significant fines and non-monetary sanctions of the reporting companies in the year under review, as stated in the documents "Informe de no sanciones Económicas, Sociales y Ambientales - Parex - 2020 FMM 19072021 - signed.pdf" and "Informe de no sanciones Económicas, Sociales y Ambientales - Verano - 2020 FMM 19072021 - signed.pdf", delivered by the Legal Compliance Management; also, in accordance with the consultation in the companies' official Judicial Notifications Mailbox made by Parex Management. **b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.** Corresponds to the statement presented in the IS20 according to the documents "Informe de no sanciones Económicas, Sociales y Ambientales - Parex - 2020 FMM 19072021 - signed.pdf" and "Informe de no sanciones Económicas, Sociales y Ambientales - Verano - 2020 FMM 19072021 - signed.pdf" regarding the non-existence, if applicable, of significant non-monetary fines and sanctions of the reporting companies in the year under review. **c. The context against which significant fines and non-monetary sanctions were incurred.** Corresponds to the stated in relation to the regulatory, social and/or economic context of the significant fines and non-monetary sanctions of the reporting companies in the year under review, as reported in the previously mentioned documents.	✓ ✓ ✓

Appendix I

Indicators subject to limited assurance		Nothing caught our attention (✔) - N/A
	For the definition of this indicator, the Administration took as a basis what is established on page 6 of Disclosure GRI 419: Socioeconomic Compliance (2016), and complemented the elements provided by GRI with the following definitions: **a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area with respect to the following:** Corresponds to the significant fines and non-monetary sanctions of the reporting companies in the year under review, as stated in the documents "Informe de no sanciones Económicas, Sociales y Ambientales - Parex - 2020 FMM 19072021 - signed.pdf" and "Informe de no sanciones Económicas, Sociales y Ambientales - Verano - 2020 FMM 19072021 - signed.pdf", delivered by the Legal Compliance Management; also, in accordance with the consultation in the companies' official Judicial Notifications Mailbox made by Parex Management. **b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.** Corresponds to the statement presented in the IS20 according to the documents "Informe de no sanciones Económicas, Sociales y Ambientales - Parex - 2020 FMM 19072021 - signed.pdf" and "Informe de no sanciones Económicas, Sociales y Ambientales - Verano - 2020 FMM 19072021 - signed.pdf" regarding the non-existence, if applicable, of significant non-monetary fines and sanctions of the reporting companies in the year under review. **c. The context against which significant fines and non-monetary sanctions were incurred.** Corresponds to the stated in relation to the regulatory, social and/or economic context of the significant fines and non-monetary sanctions of the reporting companies in the year under review, as reported in the previously mentioned documents.	✓ ✓ ✓

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Appendix I

Indicators subject to limited assurance		Nothing caught our attention (✔) - N/A
	The scope of the assurance was limited to the cross-checking of the information reported in the IS20 against the sources mentioned in the criterion, provided by the Legal Management of Regulatory Compliance, to the validation on a sample basis of the existence of the cases recorded in the source documents and to the recalculation of the total values corresponding to the disclosures established in the criterion based on the information included in said sources and did not include the evaluation of the reasonableness of the sources mentioned in the criteria, the evaluation of the integrity of the documentation supports in the year under review, nor the evaluation of the occurrence of the events that originated the report.	
Own indicator Social investment	The Company's Administration included in its IS20 the result of its Own indicator corresponding to "Social Investment" for the companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter the reporting companies) in the period from January 1 to December 31, 2020 (hereinafter "year under review"), taking as source the local audited figures and, as reference, the parameterized information from SAP system, included in the documents "Capex Cuentas RSE Ene-Dic 2020 PWC 13 julio.xlsx", "Opex Cuentas RSE Ene-Dic 2020 PWC 9 jul.XLSX" and "Copia de Cuadro auditoria SOS 2020 VF.xlsx" provided by the Corporate Social Responsibility (CSR) area, as presented below: **Social investment 2020:** corresponds to the sum of the balances presented in Colombian pesos (COP) and in US dollars (USD), excluding provisions, of: i. The payments presented in the file "Copia de Cuadro auditoria SOS 2020 VF.xlsx" prepared by the CSR area, (these values are reported in pesos and show the total in USD with a TRM of 3693.36 COP and ii. the following accounting accounts, obtained from the following modules: - OPEX: corresponds to accounts 761917926, 761917927, 761917928, 761917929, 761917930 related to social investment expenses. - CAPEX: corresponds to accounts 715810065, 715810105, 715810210, 715810220, 715810385 related to social investment expenses.	✓ ✓

Appendix I

Indicators subject to limited assurance		Nothing caught our attention (✔) - N/A
	The scope of the assurance was limited to cross-checking the figures taken for the calculation of the "Social Investment 2020" indicator with the figures included in the sources cited in this criterion for the year under review and did not include the evaluation of the reasonableness of the sources mentioned in the criteria, the evaluation of the integrity of the documentation supports in the year under review, nor the evaluation of the occurrence of the events that originated the report.	
Presentation of the IS20 in line with the "Core" option of the GRI Standards (2016) of the Global Reporting Initiative	The Company's Administration reports in its IS20 the following basic mandatory contents, applicable for the "Core" option as per that defined in the GRI Standards (2016) of the Global Reporting Initiative (https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-spanish-translations-download-center/) GRI 101, item 3.1 p. 23 Table 1 - Criteria for declaring that a report has been prepared in accordance with the GRI Standards or the corresponding omission justification defined in item 3.2 reasons for omission - p. 24.	✓

General basic contents applicable to the Core level	No. of the basic general content
Organizational profile	GRI 102-1 to 102-13
Strategy	GRI 102-14
Ethics and integrity	GRI 102-16
Governance	GRI 102-18
Stakeholder engagement	GRI 102-40 to 102-44
Reporting practice	GRI 102-45 to 102-56

a. The Company's Administration reports in its IS20, the information corresponding to the general mandatory management approaches, as per that defined in the GRI Standards (2016) of the Global Reporting Initiative

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Appendix I

<table>
<tr><th>Indicators subject to limited assurance</th><th></th><th>Nothing caught our attention (✔) - N/A</th></tr>
<tr><td></td><td>b. (https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-spanish-translations-download-center/): GRI 101, item 3.1 p. 23 Table 1 - Criteria to state that a report has been prepared in line with the GRI Standards or relevant justification of omission as defined in item 3.2 - Reasons for omission, pg. 24, for the following material respects:
<table>
<tr><th>Material aspect</th><th>Information on the general management approach to report for each material aspect</th></tr>
<tr><td>Economic performance
Corporate governance, ethics, and transparency
Water management
Greenhouse gases (GHG) and climate change
Occupational health and safety
Human rights and indigenous peoples' rights
Human capital
Social investment
Critical risk management</td><td>a. An explanation of why the topic is material.
b. The Boundary for the material topic.
c. Any specific limitation regarding the topic boundary.
d. An explanation of how the organization manages the topic.
e. A statement of the purpose of the management approach.
f. A description of the following, if the management approach includes that component: policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and specific actions such as processes, projects, programs and initiatives.
g. An explanation of how the organization evaluates the management approach</td></tr>
</table>
c. The Company's Administration reports in its IS20, for each of the material aspects presented in point 1 of this criterion, at least one (1) associated performance indicator or the corresponding justification of omission, as per the alternatives indicated in GRI 101, item 3.2 – Reasons for omission, pg. 24 of the GRI Standards (2016). Such indicators may be defined as per the Topic-specific Standards in the GRI Standards 2016 (series 200, 300 and 400).</td><td>✓

✓</td></tr>
</table>

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Indicators subject to limited assurance		Nothing caught our attention (✔) - N/A
	The scope of the assurance is limited to the crossing of information defined in the criteria with the information reported in the IS20 and did not include an assessment of the reasonability and integrity of the reported information, nor the evaluation of the occurrence of the events that originated the report.	

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CREDITS

DIRECTION, RESEARCH AND
ELABORATION OF THE REPORT:
SIGNUM CONSULTING S.A.S.

ART AND PHOTOGRAPHY DIRECTORATE:
BENDITA SEAS ADVERTISING S.A.S
AGENCIA DE PUBLICIDAD SOSTENIBLE