

2021
SUSTAINABILITY
REPORT



INDEX

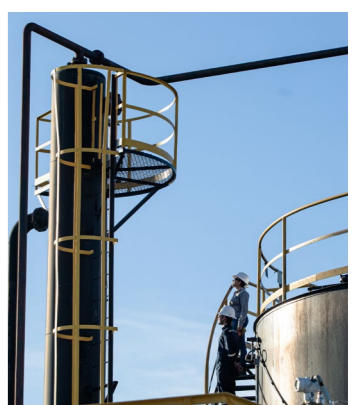
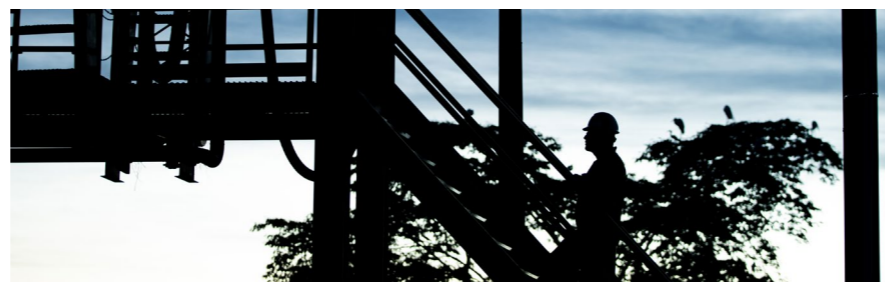
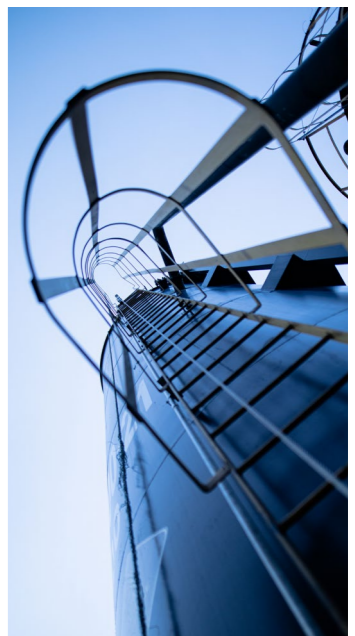
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ABOUT THIS REPORT

■ GRI 102-01, 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

This report provides an overview of Parex Resources Inc.'s approach to sustainability and outlines the Company's performance and Environment, Social and Governance (ESG) related activities for the reporting period of January 1 to December 31, 2021. The report has been prepared in accordance with the core option of the Global Reporting Initiative (GRI) Standards (2016-2020); is aligned with the Sustainability Accounting Standards Board (SASB) reporting standards for Oil & Gas Exploration & Production; and includes indexes (p. 57 - 70) related to GRI, SASB, and the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations at the end for our readers' convenience.

The information published in this report relates to Parex and its subsidiaries: Parex Resources Colombia Ltd., Sucursal and Verano Energy Limited, together hereinafter referred to as "Parex, the Company, or We". Unless otherwise specified, we report on Parex' operated activities (operational control basis) and have excluded non-operated activities.

Monetary values are reported in US dollars (USD) and Colombian pesos (COP), except in the economic performance section where values are in USD only. The average exchange rate for the reporting period was COP 3,743.09/USD.

There is no restatement of information in this report.

Signum Consulting S.A.S. assisted in the research and preparation of this report. Any questions regarding the content hereof may be sent to:

investor.relations@parexresources.com

External Verification

The 2021 sustainability report has been verified to a limited level of assurance, by PricewaterhouseCoopers AG, in accordance with the International Standard on Assurance Engagements, for non-assurance engagements or for review of historical financial information ISAE 3000 (Revised). This is our fourth annual sustainability report to undergo such assurance, see [independent limited assurance report](#).

This report provides an overview of Parex' approach to sustainability and outlines the Company's performance

ESG Disclosures

Since 2014, we have progressively reported to and/or aligned our disclosures as well as our practices with several sustainability frameworks, standards, and surveys:

- GRI
- CDP Climate Change and Water Security
- S&P Corporate Sustainability Assessment
- SASB
- United Nations Global Compact (UNGC)
- TCFD Recommendations



LETTER FROM THE PRESIDENT & CEO

■ GRI 102-14, OG-1



IMAD MOHSEN
PRESIDENT & CEO PAREX RESOURCES INC.

To Our Stakeholders

This past year continued to bring unprecedented challenges globally and for the local communities where we operate. I am proud to say that with a resilient mindset and a clear focus on responsible resource development, Parex continued to deliver strong performance while achieving important milestones in our ESG journey.

Delivering Performance in 2021

With strong operating and financial performance achieved throughout 2021, we consistently executed against our Colombia-focused strategy and built on our track record of strong total shareholder returns while providing long-term benefits to the community. In 2021, we:

- Achieved record financial performance, generating annual funds from operations of US\$578 million¹, an increase of 94% year-over-year (yoy), and a net income of US\$303 million.
- Delivered average production of 46,998 barrels of oil equivalent per day (boe/d) consisting of 6,831 bbl/d of light crude and medium crude oil, 38,449 bbl/d of heavy crude oil and 10,308 mcf/d of conventional natural gas and exited the year with production at approximately 51,700 boe/d, achieving 12% production growth yoy on a per share basis.
- Built on our first-mover advantage, we nearly quadrupled the Company's land position through the Colombia bid round and expanded our strategic partnership with Ecopetrol S.A.
- Returned USD\$266 million to shareholders through dividends and share repurchases.
- Paid USD\$201 million in royalties and taxes to the Colombian government.

¹Capital management measure. See "Non-GAAP and other other financial measures advisory"

Our business success is rooted in our ability to deliver responsible and reliable energy production in Colombia. I am pleased to say that our success in 2021 extended beyond responsible production and included the achievement of many ESG milestones.

Supporting Communities

As COVID-19 continued to present new and dynamic challenges, we continued to work with regional authorities throughout the year to provide medical assistance. Recognizing the importance of helping revitalize local communities following the pandemic, we established the Growing Together program to spur economic growth by providing training and development to entrepreneurs.

Beyond COVID-19, we invested US\$7.6 million in key social initiatives increasing access to water and education through the Works for Taxes programs. We continue to create local benefits through employment opportunities, increasing the total number of jobs (skilled and unskilled) created in Colombia by 32% yoy.

"In this report, we provide a comprehensive overview of the actions taken in 2021 to continuously enhance our ESG practices and performance as well as outline our future sustainability plans and ambitions."

Building an Inclusive Parex

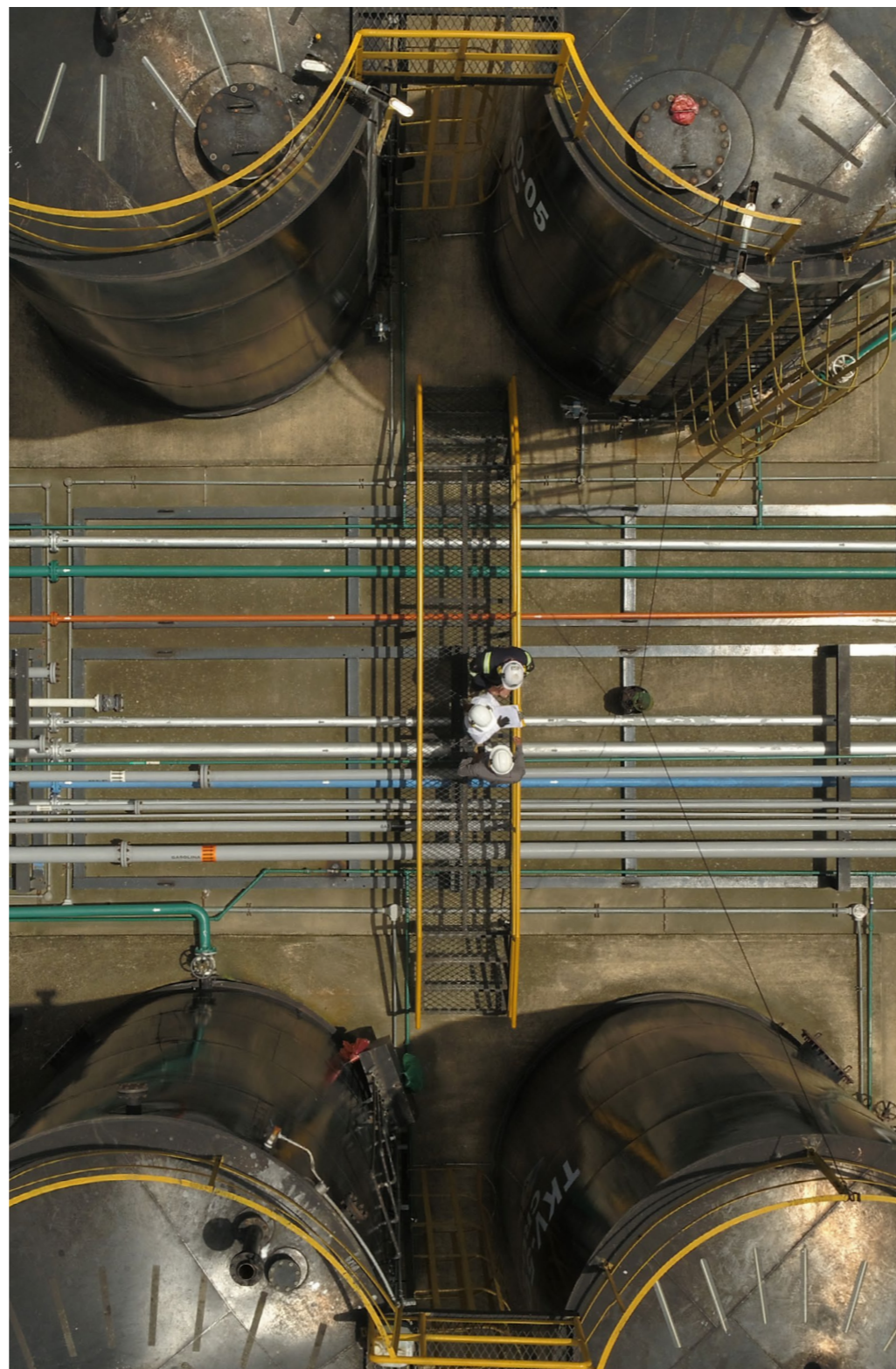
Our talent is our greatest strength and fostering an environment that promotes learning and development was a key focus area for Parex in 2021. As we work to build a more inclusive organization, we developed our first Diversity & Inclusion plan during the year and set a target to achieve 30% gender diversity on our Board of Directors by May 2023. I am pleased to say that following the appointment of Mrs. Lynn Azar in July 2022, who adds extensive experience and talent to our Board, we have met this target.

“I’m proud to say that over the last two years, we have taken concrete steps to increase gender diversity across our organization, including at the executive level. We are committed to continuing to build on this progress in the future, to enhance the diversity of thought in our organization and ensure an inclusive and creative work environment.”

Lowering Carbon Footprint

As we strive to be one of the world’s least GHG-intensive oil and gas exploration and production (E&P) companies, ensuring we are continuously reducing our carbon footprint is vital. In 2021, we made significant strides to our 2030 goal of a 50% reduction in operated GHG emissions intensity, reducing our scope 1 and 2 emissions per boe by 13% yoy and 34% from our 2019 baseline. We also invested in renewables, bringing onstream Colombia’s first geothermal power unit and commissioning a solar field at the Cabrestero block, which came onstream in June 2022.

“We made significant strides to our 2030 goal of a 50% reduction in operated GHG emissions intensity”.



Advancing Top-Quartile ESG Disclosures

Recognizing the increasing importance of sustainability to stakeholders, in 2021 the Company issued our Inaugural Task Force on Climate-related Financial Disclosures Inaugural TCFD Report and continued to align our disclosures with best practices. Our commitment to transparent disclosure continues to be recognized externally. In 2021, we achieved significant yoy progress, with top-quartile ESG scores across numerous third-party ESG rating agencies. Based on this progress, in March of 2022, Parex was included in the Jantzi Social Index, which recognizes the top 50 Canadian companies who demonstrate leadership in social and financial performance.

Driving Continuous Improvement in Safety

While 2021 was marked by many accomplishments, including gains in safety performance, we always strive for zero incidents. Tragically, in 2022, a contractor was fatally injured while completing work at the Cabrestero Block. This devastating event has impacted everyone at Parex and has reinvigorated our commitment to ensure safety-first is top of mind in everything that we do. Our employees and contractors are the foundation of our success, and we are committed to implementing lessons learned and continuously enhancing our safety practices to ensure each of us goes home safe every day.

Looking Forward: New Opportunities & Challenges

The dynamic environment of 2021 has set the stage for new challenges and opportunities in 2022. Recent global events have highlighted the hurdles associated with a rapid energy transition and the need for reliable energy supply sources. We believe that our strategy of responsible growth, technological innovation, and increasing natural gas in our long-term product mix will allow Parex to be part of the solution in meeting these challenges. As a Colombian operator, we are committed to providing reliable energy, decarbonizing our operations, and investing in local economic development while returning strong shareholder value.

IMAD MOHSEN
President & CEO Parex Resources Inc.

LETTER FROM THE PRESIDENT & COUNTRY MANAGER

GRI 102-14



DANIEL FERREIRO

**PRESIDENT & COUNTRY MANAGER
PAREX RESOURCES COLOMBIA**

Over the past ten years, we have demonstrated our Colombia-focused commitment to responsible energy development. Throughout this period, in addition to supporting the country meets its energy demand, we have strived to become the operator of choice in the communities where we operate. We demonstrate this commitment through our investment in programs focused on building local capacity and advancing community wellbeing.

In this letter for our eighth annual sustainability report, I want to highlight how our social investment of USD \$3.97 million (COP \$15,204.23 million) and our decarbonization efforts are enabling Parex to deliver innovative and high-impact programs and projects.

Sustainability in Our Operations

Our goal is to reduce the carbon footprint of our energy matrix. Our 2021 investments in geothermal and solar energy projects will enable lower GHG emissions intensity rates, leading to over 4,500 tCO₂e being avoided annually.

In addition, we are investing in natural gas, which represents an important pillar of our decarbonization strategy. By installing a new gas processing plant at the La Belleza field, we expanded our ability to support our energy needs through gas. At the end of 2021, 93% of our energy demand from operations was met through natural gas, in support of Colombia's energy transition.

Promoting Sustainability Beyond Our Operations

Generating shared benefits is an important commitment for our Company. As part of our decision-making process, we consider our social investment framework, which targets three areas of focus: Sustainable Communities, Economic Development and Sustainable Planet. Our programs are aimed at identifying opportunities to positively impact communities by promoting sustainable initiatives beyond our operations.

Successful programs developed by Parex include:

- **Energy for All:** This program promotes community access to renewable energy. In 2021, we installed 16 solar panels in two schools in the Magdalena Department.
- **Water for All:** This program focuses on enhancing community access to clean water in residential, educational and medical environments. During the year, we carried out ambitious projects in the Casanare and Meta regions, which increased access to 135 families and invested in 35 water treatment systems.

Additionally, we continue to transform communities through the "Works for Taxes" program. This program, created by the Colombian government, enables companies to carry out high-impact community improvement projects in the areas most affected by armed conflict while fulfilling tax obligations. We are proud to say that our 2021 contributions benefited over 45,000 local residents.

"I am proud to say that the investment we make to improve local infrastructure through the "Works for Taxes" program are managed by the same technical experts who work on our facilities. This way, we guarantee the highest quality standards."

Growing the Business and Generating Value for Our Stakeholders

Our continued success is a reflection of the invaluable talent and the trust-based relationships we have built with local stakeholders. In 2022, our success will be driven by our ability to contribute to Colombia's energy security, and our investments for economic reactivation, prosperity and sustainable development of local communities. We believe that this is our path to remain the operator of choice wherever we operate.

DANIEL FERREIRO

President & Country Manager Parex Resources Colombia

ABOUT PAREX

■ GRI 102-02, GRI 102-03, GRI 105-5, GRI 102-16
■ SASB EM-EP-510a.1

GROWING RESPONSIBLY, SAFELY, AND SUSTAINABLY

We are the largest independent oil and gas E&P company in Colombia. With core assets in the Llanos and Magdalena basins, we are focused on growing our reserves and production through safe, sustainable exploration and development.

Through innovation and the application of proven and emerging technology, we deliver sustainable, reliable energy to the world. We do this while achieving best-in-class shareholder returns and partnering with community stakeholders to deliver long-term local benefits.

We hold ourselves accountable through leading governance and environmental standards, and we are committed to engaging local communities and building a reputation as an operator of choice for current and future projects.

We are members of Jantzi Social Index (JSI)¹ and the S&P/TSX Composite ESG Index, and our shares are traded on the Toronto Stock Exchange under the symbol PXT. Our headquarters are in Calgary, Canada, and our operating office is in Bogota, Colombia.

Cultural Behaviours



**INNOVATIVE
& CREATIVE**



**TAKE
CALCULATED
RISKS**



**ONE PAREX
MINDSET**



**VALUE
DIVERSITY
& INCLUSION**



**ADAPTABLE
& RESILIENT**



**TRUSTED
COMMUNICATOR**



ACCOUNTABLE



**GROW
RELATIONSHIPS
& BUILD COMMUNITY**



PROACTIVE

Vision

Parex is a sustainable oil and gas producer, responsibly developing the resources needed to fuel social and economic development. With the prudent and efficient execution of our strategy, we are focused on becoming the largest independent operator in Colombia, profitably producing **100,000 barrels** of oil equivalent per day (boe/d) while continuing to deliver top quartile ESG performance.

Our Corporate Culture

We are guided by our corporate values, that are rooted in our culture which promotes capacity building, teamwork, respect for others, and the prosperity of the business and of the company's stakeholders.

Strategy

At Parex, we are committed to delivering on our track record of total shareholder returns while providing long-term benefits to the communities where we operate. We do this by executing all four pillars of our strategy:



¹ The JSI Index includes Canadian companies that meet ESG rating criteria. Parex included on March 21, 2022

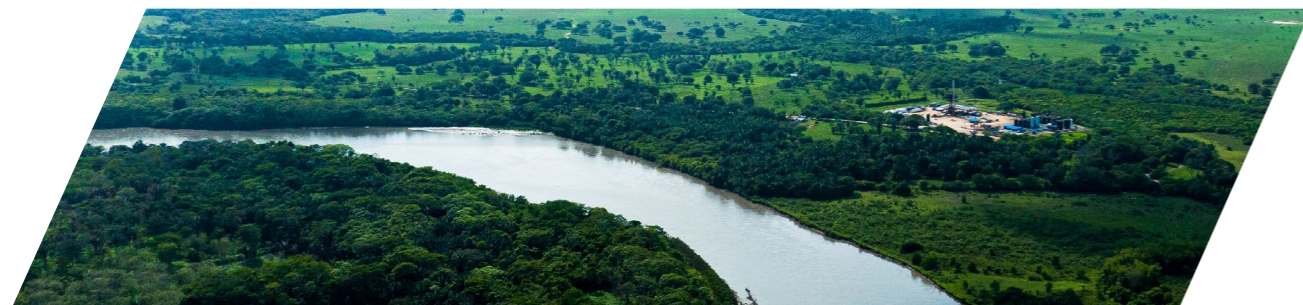
² Market-cap-weighted index designed to measure the performance of securities meeting sustainability criteria (source - <https://www.spglobal.com/spdji/en/indices/esg/sp-tsx-composite-esg-index/#overview>)

ESG PERFORMANCE HIGHLIGHTS

Progressing targets, delivering on short-term objectives

We strive to achieve top-tier ESG performance. In 2021, we set several ESG targets and annual scorecard objectives that linked approximately 30% of the annual bonuses, for all employees, to key performance metrics or milestones.

For our 2021 financial and operating results, we refer all interested parties to our Q4 2021 Financial Statements and MD&A, accessible via the corporate website and Sedar.



Environment

ESG target and Scorecard objectives	2021 Performance and Progress Report
Reduce scope 1 & 2 GHG emissions intensity by 50% by 2030 from a 2019 baseline	Progress made toward reduction target <ul style="list-style-type: none"> • 13% reduction YOY • 34% reduction from baseline
Sanction emissions reducing projects	Installed two geothermal power units (expecting to avoid ~580 tCO2e/year per unit) Progressed Cabrestero solar field project



Social

ESG target and Scorecard objectives	2021 Performance and Progress Report
Deliver safe operations	LTIF ³ – 0.032, decreasing 27% yoy MVA ⁴ – 0.26, decreasing 23% yoy
Expand social projects to improve the social conditions in the communities where we operate	Delivered 6 “Water for All” projects for new blocks, providing clean water access to 11,000 people Launched “Energy for All” program, powering 2 schools previously not connected to the power grid through the installation of solar panels Invested \$3.97 million in the community, aligned with the Sustainable Development Goals (SDGs)



Governance

ESG target and Scorecard objectives	2021 Performance and Progress Report
30% board gender diversity by May 2023 target	Target achieved as of July 13, 2022 with Lynn Azar joining the Parex’ Board
Delivering diversity & inclusion plan	Board approved (D&I) plan
Align with TCFD Recommendations and SASB Standards	Released Inaugural TCFD Report Full disclosure of SASB indicators

³ Rate of lost-time safety incidents - LTIF* x 200,000 hours worked
⁴ Frequency of traffic accidents - MVA** x 1,000,000 km

ESG performance ratings⁵

Sustainalytics ESG Risk Rating: 29.5 Medium Risk (↓ 35.7)

9th Percentile of global E&Ps
Scale: 0 negligible risk exposure to 50 high-risk exposure



MSCI ESG Rating: A (↑ BBB)

2nd quartile – E&Ps in MSCI ACWI Index
Scale: CCC to AAA



CDP Climate Change Score: B (-)

Outperformed B- global average score
Scale: D- to A



S&P Global ESG Score 56 (↑ 49)

75th Percentile (↑ 68th)
Scale: 0 to 100
Industry: OGX Oil & Gas Upstream & Integrated



ISS ESG Corporate Rating C (-)

2nd Decile Rank
Scale: D- to A+



Affiliations, Memberships and External Initiatives

GRI 102-12, GRI 102-13, EM-EP-530a.1

We maintain membership to local and global industry associations, which drive the oil and gas industry's knowledge, best practices, technical expertise, and positions on public policy. In 2021, Parex was an active member of:



In 2018, we adopted the Extractive Industries Transparency Initiative (EITI) Standard, as a demonstration of our commitment to transparent and accountable management of the resources related to oil and gas activities.

In 2020, we became a signatory to the UNGC. We support its ten principles on Human Rights, Labour, Environment, and Anti-Corruption. Annually, we prepare a Communication on Progress report, which provides updates on the steps Parex is taking to implement the ten principles and to contribute to SDGs. We filed our most recent progress report on June 30, 2022.

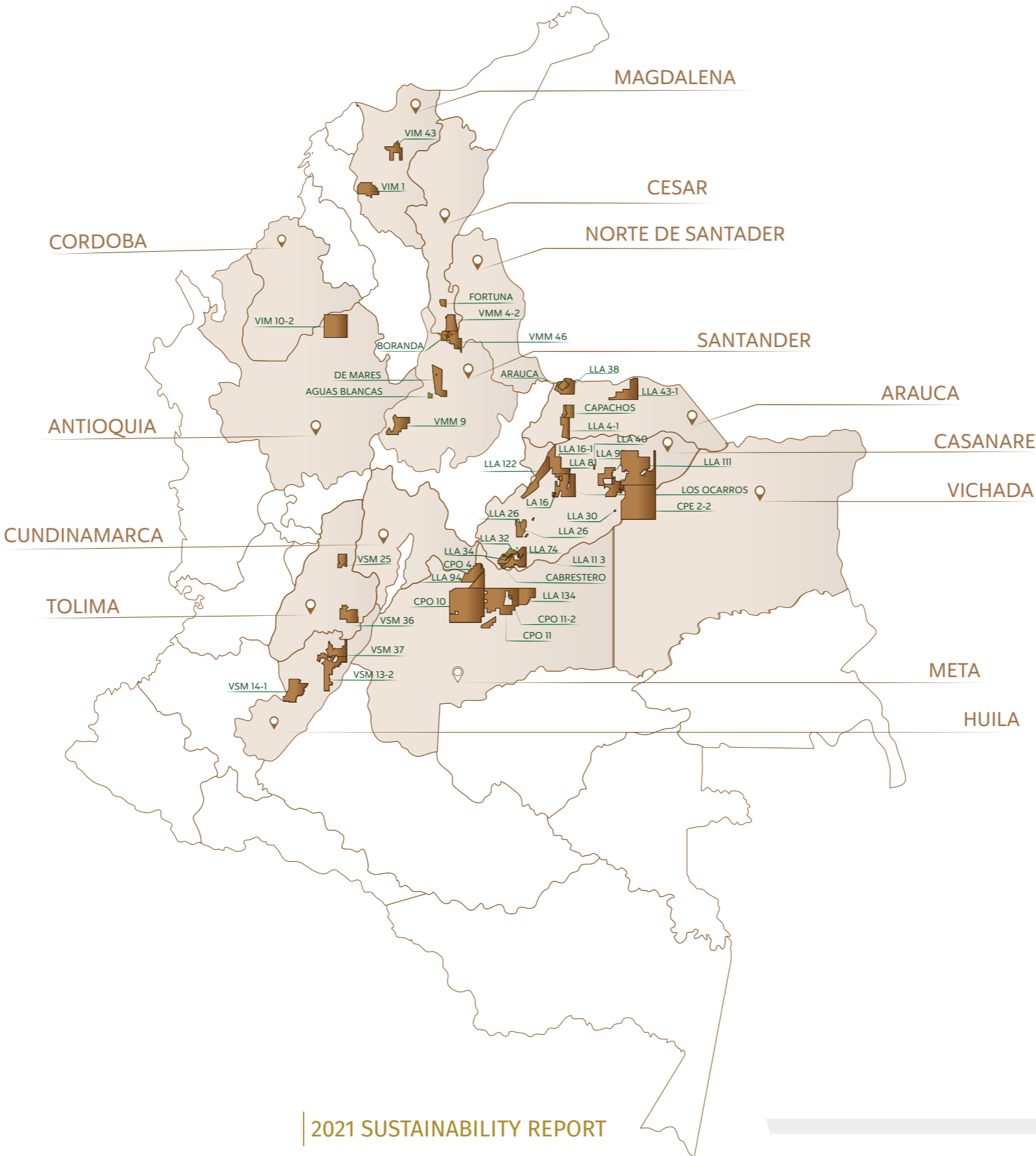
In Colombia, we are members of the Human Rights and Hydrocarbons Working Group, an initiative led by national authorities, including the Ministry of Mines and Energy, the Agencia Nacional de Hidrocarburos (ANH), and the Office of the Presidential Advisor on Human Rights. This group brings together industry associations, operating companies, and goods and services providers from the oil and gas sector.

⁵ As of December 31, 2021 - ESG ratings/data/logo do not constitute a sponsorship, endorsement, recommendation, or promotion of Parex by the agency; ratings and data are the property of the agencies and are provided 'as-is' and without warranty.

OUR OPERATIONS

■ GRI 102-4, GRI102-07,
■ SASB EM-EP-000.C, SASB EM-EP-000.A

At Parex, we are focused on producing and exploring conventional oil and gas in Colombia. After acquiring new blocks during the 2021 ANH Bid Round, Parex is now the largest independent acreage holder in Colombia with 41 blocks, stretching across 6.5 million acres. Our operations are primarily oil-weighted, with oil representing 96% of our total production and natural gas production representing the remaining 4%⁶.



41 BLOCKS
in Colombia

Total area of
6.5 MILLION
gross acres

Growing our Footprint

Throughout 2021, we progressed a key element of our business strategy by expanding our reach in Colombia. This growth included:

- Entering a strategic partnership with Ecopetrol, whereby Parex earned an **operated 50%** interest in two blocks, Arauca and LLA-38, and,
- **Being awarded 18** of 30 new exploration blocks during ANH’s 2021 Bid Round.

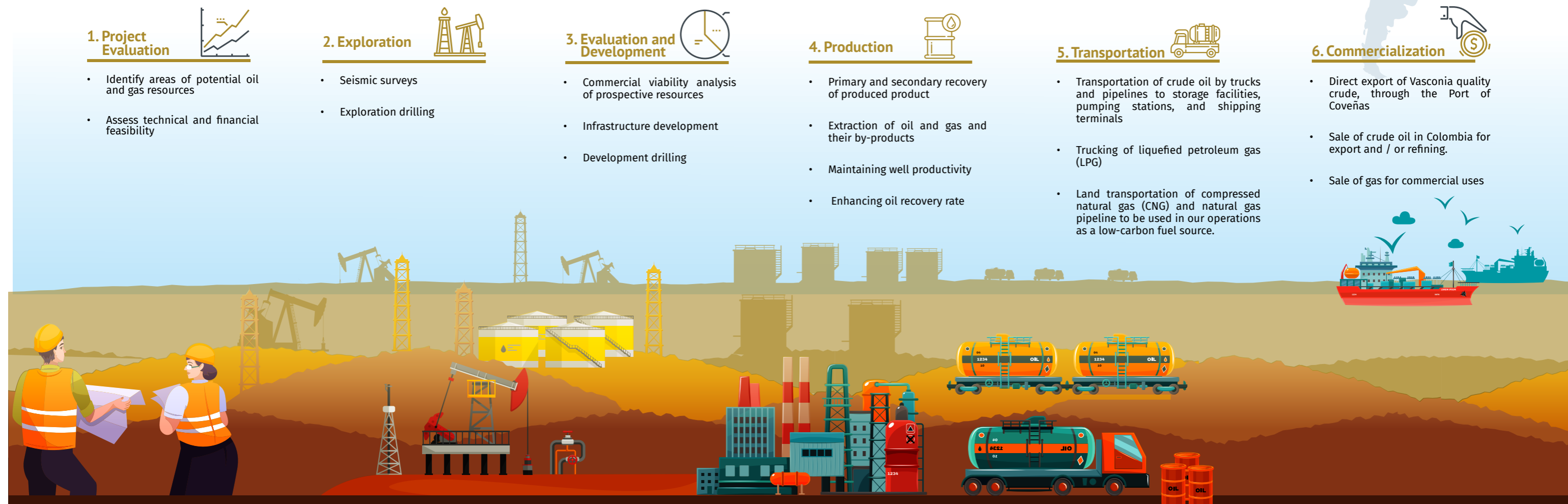
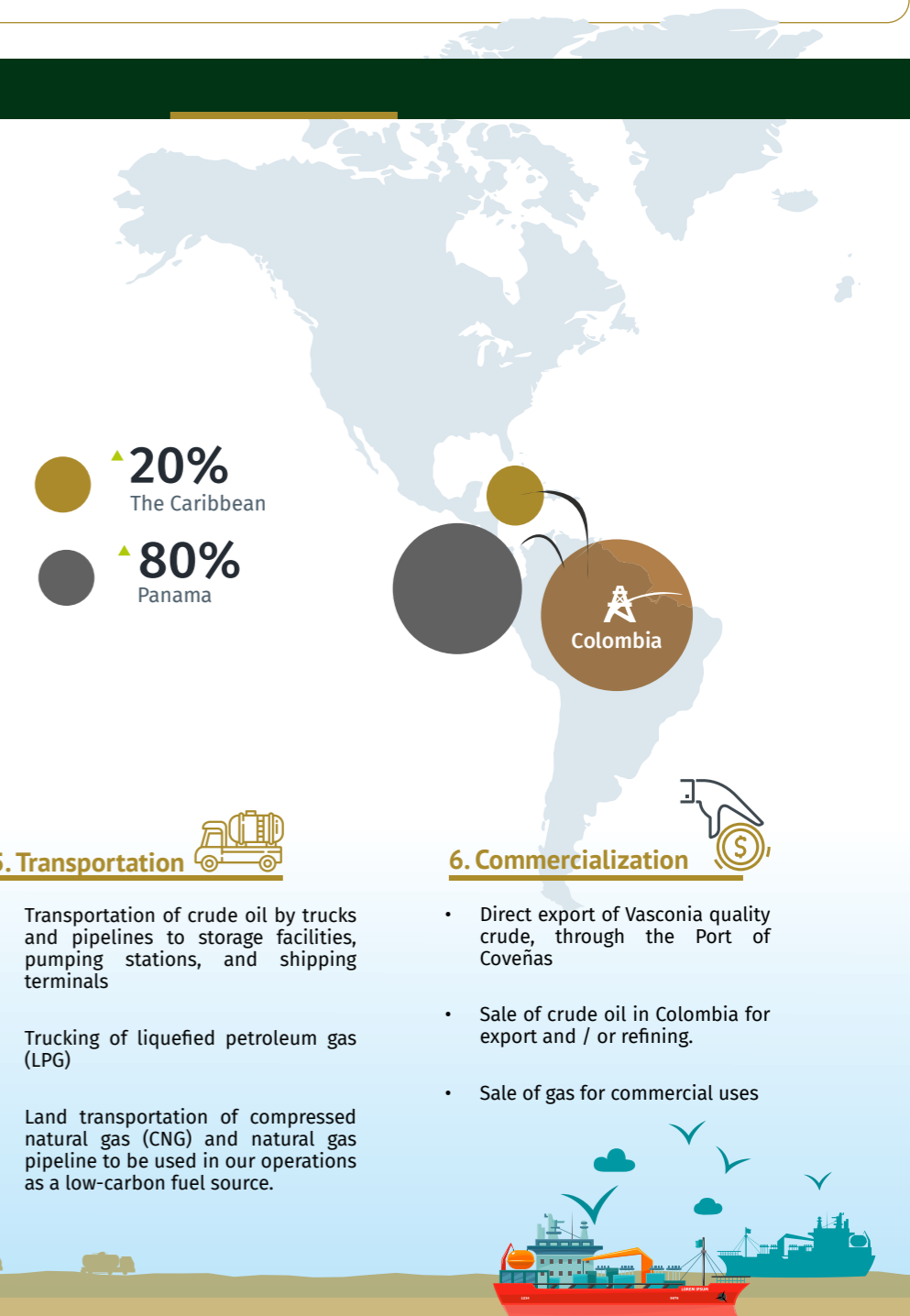
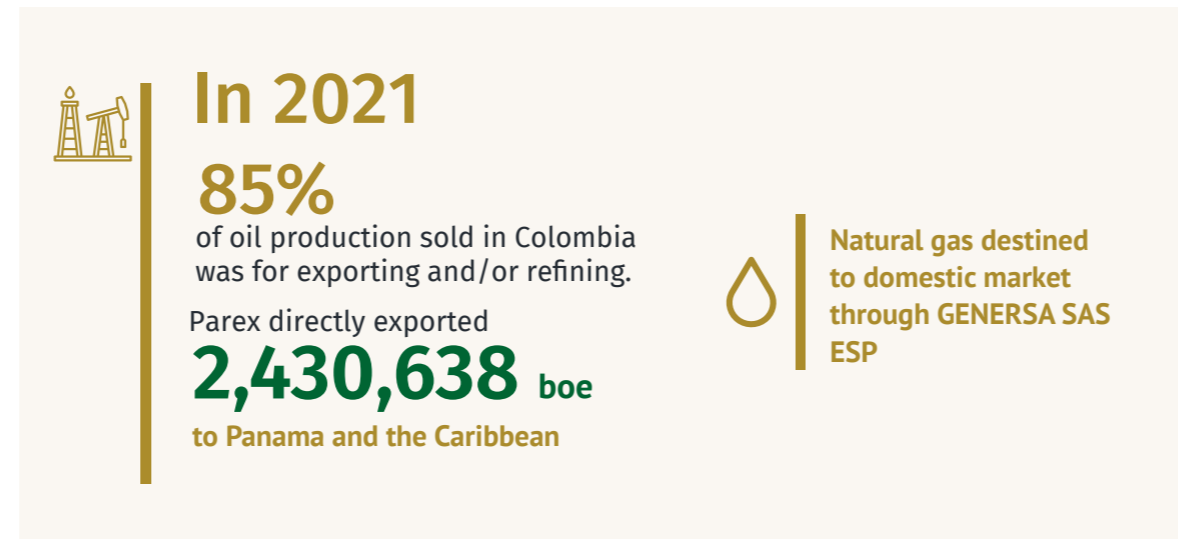
These strategic acquisitions increased our footprint by **3.7 times** of the pre-acquisition land base, nearly doubling the number of accessible blocks to explore and develop and positioning the Company for growth.

⁶ For the year-ended December 31, 2021

OUR VALUE CHAIN

■ GRI 102-06, GRI 102-9, GRI 102-10,
GRI 204-1, GRI 413 OWN

We strive to ensure that the activities and processes within our value chain meet industry best practices, from the evaluation of a hydrocarbon projects' potential to the sale of crude oil and natural gas to domestic and international markets.

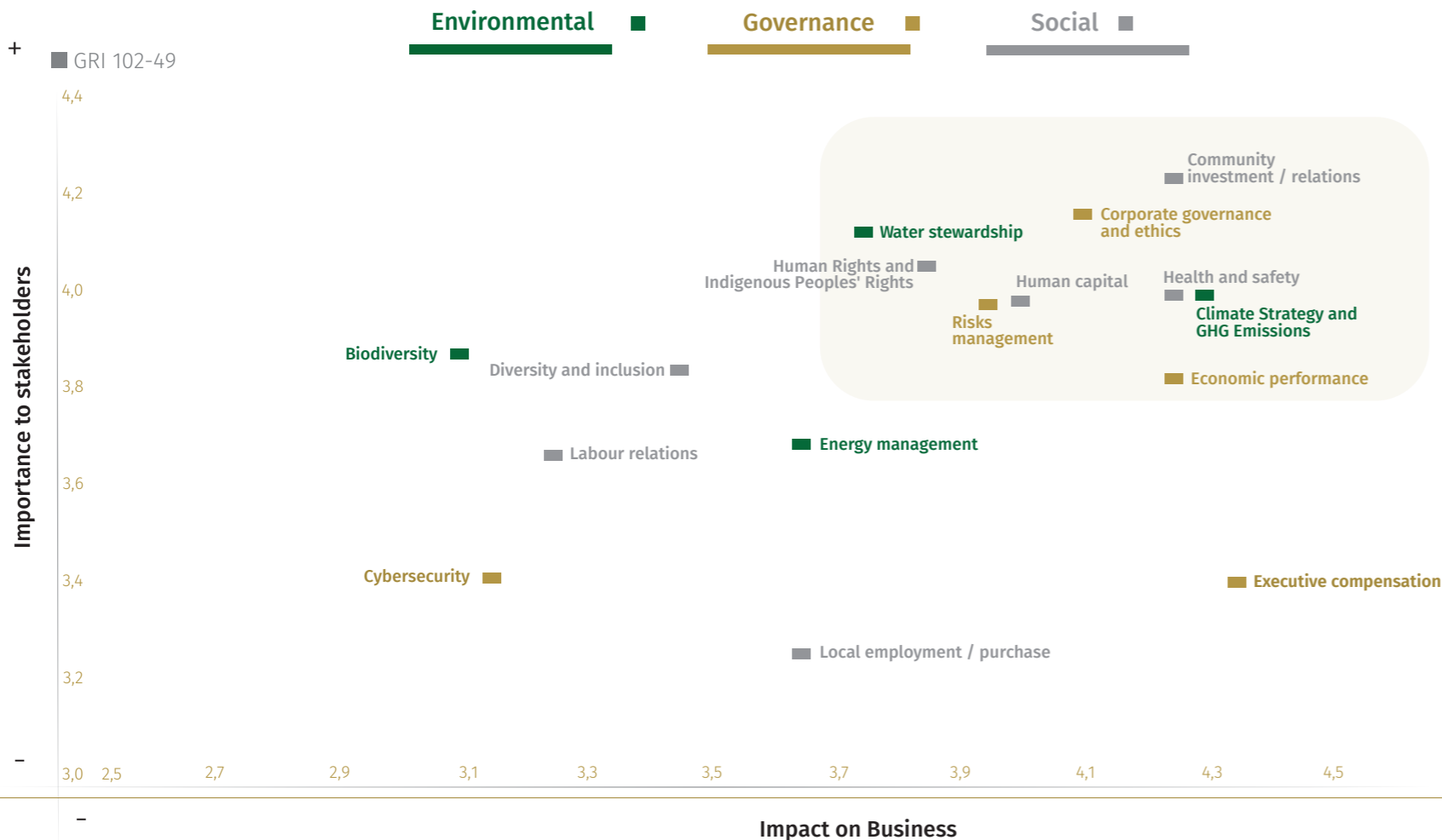


MATERIALITY AND STAKEHOLDER ENGAGEMENT

■ GRI 102-43, GRI 102-44, GRI 102-46, GRI 102-47, GRI 102-21
 ■ SASB EM-EP-201b.1, SASB EM-EP-210b.1

The 2021 sustainability report is based on the results of the materiality assessment carried out in early 2021, which were initially published in and formed the basis of the 2020 sustainability report. There are no significant changes in the reporting scope and material topics of this report compared to the previous one. We have maintained the same material issues, which were deemed relevant for the current report based on:

- (i) Sector-specific benchmark of peer ESG reports released in the first quarter of 2022;
- (ii) Review of sector-specific sustainability frameworks, standards, surveys, and ratings;
- (iii) Discussions with Senior Management; and,
- (iv) Active engagement with multiple stakeholders in 2021.



■ GRI 102-40, GRI 102-42
 ■ SASB EM-EP-320a.2

Our Stakeholders

We identify our stakeholders based on specific criteria including: proximity, responsibility, tension, (inter)dependence, influence, and representation. Annually, we review our stakeholder list, given the business context and social dynamics, with the purpose of effectively and proactively managing our stakeholders' interests, expectations, and concerns associated with Parex' activities and performance.

The Company has created communication channels and spaces for dialogue to build relationships based on trust and respect. In 2021, we enhanced our communications process in connection with our stakeholders as shown on the next page.

The Company has created communication channels and spaces for dialogue with stakeholders.



MEDIA
 Press releases, information meetings, corporate website, compliance with information request.



COMMUNITY
 Information meetings and projects socializations, consultation meeting and social investment monitoring meetings.



CONTRACTORS AND SUPPLIERS
 Audits, Abastece Platform.



AUTHORITIES
 Information, coordination meetings.



CIVIL SOCIETY AND PROFESIONAL
 Corporate website, information meetings.



EMPLOYEES
 Intranet, COPASST (Joint Committee on Health and Safety at Work), Town hall meetings.



CUSTOMERS
 Corporate website, Information meetings.



PARTNERS
 Periodic reports, Coordination meetings.



INVESTORS AND SHAREHOLDERS
 Quarterly business performance reports, website, investor conferences, press releases, Annual General Meeting.

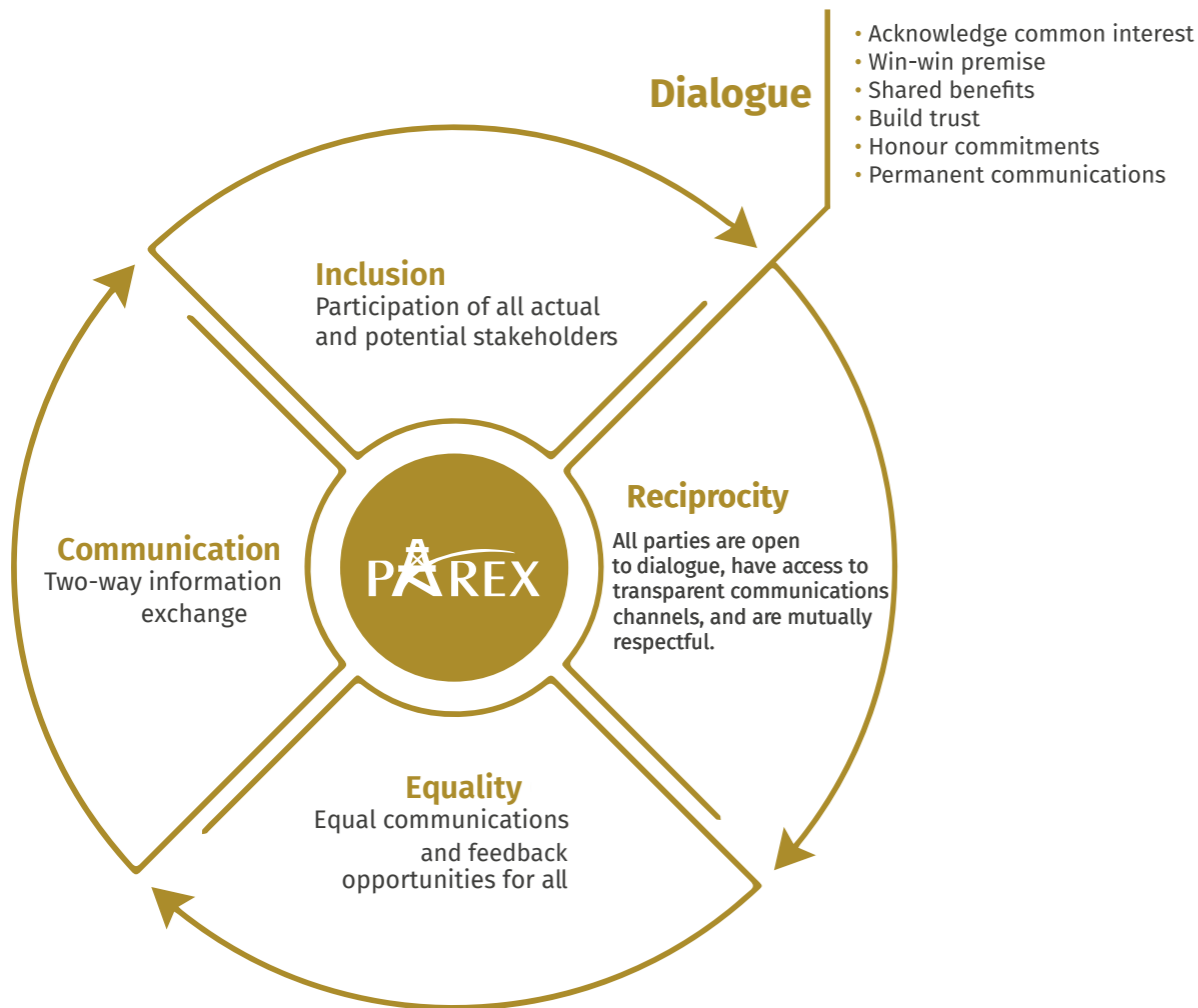
For the Scope of our Material Issues see page 96 at the end of this report.

Valuing participation and dialogue

■ GRI 413-1, OG-10, GRI 102-21
 ■ SASB EM-EP-210b.1, SASB EM-EP-210b.2 SASB EM-EP-201b.1

At Parex, we are committed to building long-term relationships with our stakeholders that are rooted in meaningful dialogue, trust, and respect, as outlined in our [CSR Policy](#). When working with local stakeholders, we apply a consistent approach to engagement. This allows us to best understand stakeholders’ interests, concerns and expectations around project(s), which helps inform our approach to identify shared opportunities and effectively address potential impacts.

The following are communication best practices used internally when engaging with our stakeholders.



Building Best Practices for Engagement:

In 2021

we carried out

1,355

face-to-face meetings with communities.

In 2021, we implemented the “Guidelines for Stakeholder Dialogue, Consultation, Relationships, and Engagement,” to support us in forming and building stakeholder relationships and engagement. These guidelines, which ensure a standardized approach to engagement using industry best practices, are applied for all stakeholder relations and are aligned with all regulatory requirements, reaffirming our commitment to engage and consult with local Indigenous communities.

GOVERNANCE

GRI 102-18





CORPORATE GOVERNANCE, ETHICS AND TRANSPARENCY

■ GRI 102-18
■ SASB EM-EP-510a.2 – SASB EM-EP-530a.1

■ GRI 103-1

At Parex, we believe that a solid corporate governance framework is a foundational element in maintaining a positive reputation and delivering long-term sustainable business success.



2021 Highlights

- 98% average voting results per director at the May 6, 2021 AGM
- 100% of employees signed off on corporate policies following a knowledge testing assessment
- Introduced a quarterly dividend, returning significant capital to shareholders



2022 Goals and Initiatives

- Achieved 30% target for board gender diversity (July 2022)
- Conduct an extensive materiality - assessment
- Develop ESG Strategy, implementation plan, and capital allocation framework

MANAGEMENT APPROACH

■ GRI 103-2

We are proud of the corporate governance framework in place, which guides how we work and is based on the principles of transparency, honesty, and integrity. As outlined in our Code of Conduct, we conduct all of our business in an ethical and transparent manner, while ensuring we meet or exceed compliance with respect to applicable laws and local regulations in jurisdictions where Parex operates. As a responsible operator that seeks to grow relationships and build community, consideration for local customs and traditions also represent an important part of our decision-making process.

PRACTICES AND PERFORMANCE

■ GRI 103-3

The Board of Directors of Parex (the Board) is responsible for fostering Parex' long-term success. It oversees the Company's overall strategic direction and management with the assistance of four Board committees to which it delegates some of its responsibilities, including reviewing and making recommendations on policies and performance measures related to sustainability matters. Through the President and Chief Executive Officer (CEO), the Board oversees Parex' business conduct and the management of daily business activities.

The Board of Directors

■ GRI 102-18, GRI 102-19, GRI 102-22, GRI 102-23, GRI 102-24, GRI 102-27, GRI 405-1

Directors are elected for a one-year term at the Company’s Annual General Meeting, typically held each May. At December 31, 2021, the Board comprised eight independent non-executive directors, including the Chairperson, and one executive director, the President & CEO. For more information on our Board of Directors, [click here](#).

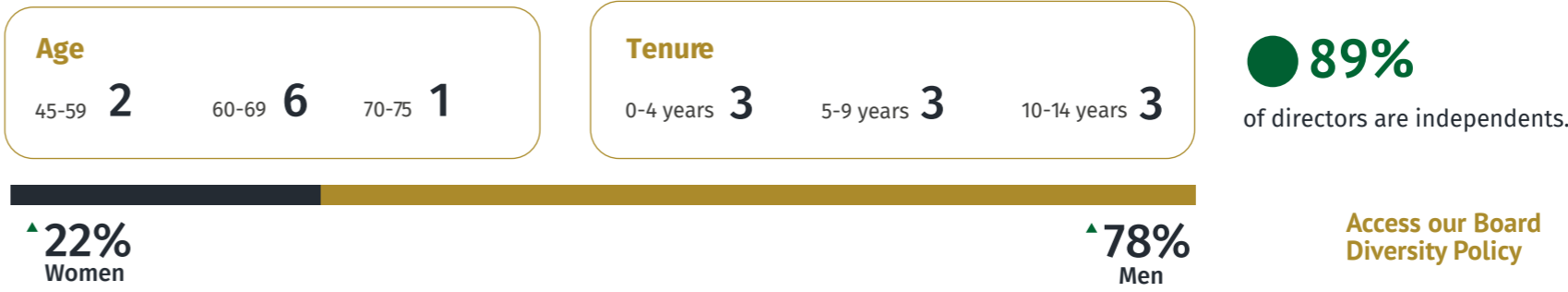
ESG and Climate Governance

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

The Board oversees ESG and climate matters with the support of its committees as well as the ESG Steering Committee and the Sustainability Working Group; each having specific mandates for assisting the Board to meet its responsibilities as highlighted in the governance structure.

The Board and its committees receive quarterly updates from Management on Parex’ performance against several ESG metrics and internal targets.

Board Diversity



⁷ Composed of senior executives and two staff members
⁸ Multi-functional group, responsible for integrating ESG considerations into Parex’ activities and advancing sustainability initiatives and disclosures
⁹ Responsible for evaluating and recommending emissions reduction initiatives/investments that support the Company’s reduction targets and decarbonization strategy

Management’s Responsibility Over ESG Matters

■ GRI 102-20 ■ SASB EM-EP-530a.1

The ESG Steering Committee is chaired by the President & CEO and is responsible for guiding the Company’s sustainability strategy, performance, and disclosures. It assists and supports the Board and Management in monitoring performance and emerging risks and opportunities related to ESG and climate change. In fulfilling its responsibilities, this Committee is supported by the Sustainability Working Group.

In 2021, the ESG Steering Committee’s activities included:

- Participation in workshops on materiality assessment and qualitative climate-related scenario analysis;
- Several meetings to provide direction and receive updates on Board materials, GHG emissions reduction targets, and social initiatives;
- Reviewing the Company’s sustainability ratings and benchmarking information; and
- Approving public sustainability disclosures, including the inaugural TCFD Report.

Ethics And Transparency

■ GRI 207-4, GRI 415-1

We fulfil our commitments to stakeholders while working in an ethical and transparent manner. This approach differentiates Parex as a responsible community partner that is trusted and respected and is foundational to maintaining the Company’s reputation as a good corporate citizen.

The principles of transparency are deeply rooted in Parex’ way of doing business. One way in which we demonstrate transparency is by aligning our annual disclosure on taxes and payments to governments with the Extractive Sector Transparency Measures Act (ESTMA), read our most recent **ESTMA Report** dated May 30, 2022.

During 2021, we did not make any financial contributions to any political groups.

Code of Conduct and Ethics (“Code”)

■ GRI 102-16, GRI 102-25
■ SASB EM-EP-510a.2, SASB EM-EP-510a.1

We annually assess the knowledge and understanding of employees’ and of those conducting Parex’ business of our key corporate policies, including the Code, and require an annual certification of acknowledgement. Through the PolicyTech platform, employees are assessed on the key elements of each policy and must obtain a 100% score to successfully satisfy the Company’s compliance requirements.

Parex expects employees and anyone acting on its behalf to behave in accordance with the principles set out in our **Code** when dealing with stakeholders. We also expect those engaged in business with us to adhere to the same principles.

We investigate allegations of potential misconducts reported using the channels outlined in the Code, including our anonymous Whistleblower Hotline. Allegations proven to be accurate result in disciplinary actions, including termination of employment or contract.

Parex expects employees and anyone acting on its behalf to behave in accordance with the principles set out in our **Code when dealing with stakeholders.**



Read the ESG Steering Committee’s Mandate for more information on its roles and responsibilities.



Whistleblower Program

■ GRI 102-17, GRI 102-33, GRI 206-1

Our **Whistleblower Program** provides a mechanism for stakeholders to report anonymously, if preferred, allegations of misconducts within Parex and/or along the Company's value chain without fear of reprisal. Whistle-blowers can bring forth complaints and concerns verbally or in writing, through a confidential reporting system operated by an independent third party, EthicsPoint, at www.ethicpoints.com or using other channels outlined in the Program.

Anti-corruption & Anti-bribery Policy

■ GRI 102-16, GRI 102-25, GRI 205-1, GRI 205-2, GRI 205-3
■ SASB EM-EP-510a.2

Our **Anti-corruption and Anti-bribery Policy** prohibits anyone working for Parex or acting on the Company's behalf from engaging in or tolerating any form of corruption and bribery. The Policy clearly outlines the practices that constitute corruption and bribery, therefore proscribed to anyone associated with Parex.

Annually, we conduct detailed background checks on prospective business partners and contractors to mitigate against potential corruption or bribery risks, within our supply chain, that could affect Parex' reputation. In addition, we require an annual certification of acknowledgement to ensure that anyone carrying out the Company's business understands and complies with the Policy.

In 2021

There were:

- Zero substantiated claims relative to violations of client privacy and loss of client data.
- Zero penalties and/or fines for non-compliance with laws or regulations governing social and economic matters.
- Zero penalties and/or fines for non-compliance with environmental laws and regulations.

In 2021

There were:

- Zero cases of corruption, facilitation payments, significant fines, or non-monetary sanctions for non-compliance.
- Zero public legal cases related to corruption brought against Parex or its employees.
- Zero operations within the 20 lowest-ranked countries on the Transparency International's Corruption Perceptions Index.

100% of Colombian employees received anti-corruption training



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

Complying with laws, regulations and policies is part of Parex' commitment to operate responsibly. As such, risks associated with current and emerging regulations are relevant to Parex and are always considered when updating and reviewing the Enterprise Risk Management (ERM) risk register.

We rigorously track our compliance with legal obligations, as well as with the legislative initiatives related to the energy sector, to identify potential risks and opportunities. To that end, we engage with external regulatory agencies and experts to ensure that relevant employees stay up to date on current regulations and are aware of upcoming regulatory changes that may impact the Company's operations.

Also, we participate, directly or indirectly, in consultations on the review and development of public policies and regulatory processes.

We meet all legal requirements in the environmental licensing process, and our activities are governed by the provisions in the environmental licences issued by the Colombian authorities.

Our involvement with relevant working groups to review current and emerging climate related regulations is described in question C2.2a of our 2022 CDP submission.



RISK MANAGEMENT

GRI 103-1

Parex is exposed to several risks as it pursues its strategic objectives. Therefore, having an effective risk management process is fundamental to corporate success.



2021 Highlights

- Qualitative climate-related scenario analysis
- Cyber defence mechanisms in place
- User training for employees finalized



2022 Goals and Initiatives

- Alignment of IT security policy and information management policy
- Update Corporate Crisis Management Plan and Emergency Response Plan

MANAGEMENT APPROACH

GRI 103-2

The Board and Management oversee Parex' ERM process. The Board delegates to its committees the responsibility to review and assess the identification and management of the ERM pertaining to them.

The Board is responsible for ensuring that Management identifies Parex' principal risks and undertakes steps to implement appropriate systems to monitor and manage these risks. This process is carried out with a view to the Company's long-term viability and its assets, and Management is asked to conduct an annual review of the associated risks.

PRACTICES AND PERFORMANCE

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

Consistent with the treatment of all business and enterprise risks, Management reports the ESG risks and risk assessments to the Board's Committee having oversight of the respective risk type. The Committees, in turn, submit to the Board for a full review the top five risks prioritized based on likelihood and impact scores. For any ESG or climate risk within the top five risks, responsibility for management is assigned to an executive and responses and, in some cases, action plans are developed.

2021 Progress

During the semi-annual risk register review in 2021, Parex integrated a range of identified ESG risks, including climate related physical and transition risks, in the ERM process. Parex also performed its first qualitative climate related scenario analysis to prioritize climate related risks and opportunities with the potential to impact the Company over multiple time horizons. The climate scenario analysis outputs informs Parex' governance, strategy and risk management. The outputs of these are disclosed in the Company's Inaugural TCFD Report. These activities highlight Parex' efforts to further integrate considerations of sustainability risks and opportunities into its strategic planning efforts and objectives.

Cybersecurity Risk Management

The risk of cyberattacks continues to increase in frequency and magnitude. Cyberattacks have become sophisticated and can come at significant monetary and reputational cost to a company. Furthermore, the remote-work model, widely adopted during the COVID-19 pandemic to keep employees safe, has magnified Parex’ vulnerability to such attacks. We understand this risk and the potential impacts a cyber-attack could have on our operations, production, security, loss of data, and reputation; we are continually adapting our approach to address this growing risk.

2021 Progress

Beginning in 2021, following the evaluation of the state of the Company’s IT infrastructure and practices and the identification of priorities, we established specific policies and standards, and launched our Cybersecurity Program to close gaps and further mitigate risk



Spill Risk Management

■ GRI 306-3
■ SASB EM-EP- 540a.1 SASB EM-EP-540a.2, SASB EM-EP-160a.2

Spills of crude or any hazardous materials and/or products are some of the operational risks we seek to avoid and limit in order to mitigate their potential negative impact(s) on the environment. To prevent these risks, we have implemented processes such as the continuous upgrading and maintenance of equipment and facilities, as well as monitoring activities. Our contingency plan enables us to respond quickly and effectively, minimizing and/or avoiding impacts.

Spills*	Number	Volume (bbls)
Operations	2	4.42
Transport	0	0
Total	2	4.42

*Parex registers spills from one (1) barrel.

Crisis Management

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

Our Prevention, Preparedness and Emergency Response Plan allows us to respond in a timely and effective manner to incidents and events that have the potential to harm our people or damage the environment or our assets. On a monthly basis we review our emergency response procedures to ensure our preparedness in the event of an emergency. For example, the execution of our Evacuation Plan requires that we identify probable threats, such as fire, civil protest, road accident, explosion, earthquake, flooding, or gas leaks, as well as the resources required to overcome the emergencies and reduce vulnerabilities.

ECONOMIC PERFORMANCE

■ GRI 103-1 , GRI 201-1, GRI 201-4, GRI 401-2

Our investments in oil and gas exploration and development activities generate economic value, allowing Parex to deliver returns to shareholders, pay taxes, strengthen local businesses’ capabilities, create employment, and generate long-term benefits for communities.

★ 2021 Highlights

- Distributed 42% of economic value generated
- Paid 35% more in taxes & royalties yoy
- Purchased \$42 million in local and regional goods and services

🎯 2022 Goals and Initiatives

- Invest ~\$550 million in capital program
- Return at least 1/3 of funds flow to shareholders
- Deliver ~\$9.5 million in social investment

MANAGEMENT APPROACH

■ GRI 103-2

Ensuring financial strength and flexibility is a key pillar of our corporate strategy. By focusing on our business drivers of maintaining a strong balance sheet, returning capital to shareholders and delivering sustainable operations, we position Parex to generate free funds flow in various commodity price scenarios.

PRACTICES AND PERFORMANCE

■ GRI 103-3

The 2021 average daily production reached 46,998 boe/d (consisting of 6,831 bbl/d of light crude and medium crude oil, 38,449 bbl/d of heavy crude oil and 10,308 mcf/d of conventional natural gas), representing a 1% increase yoy. While production was consistent with 2020 levels, the Company benefited from higher commodity pricing, which created greater benefits for all stakeholders. In 2021, we:

- Contributed 35% more in taxes and royalties compared to 2020.
- Returned \$266 million to shareholders through dividend and share repurchases, or 55% greater than 2020 [\$172].
- Supported our employees, increasing total paid salaries and benefits by 59% yoy through a combination of increased staff number and salary-benefits.
- Invested \$7.5 million (representing ~14% of Parex’ annual paid taxes) in the Works for Taxes program. This enabled the Company to complete three projects in local communities. (See pages 44- 45)

Our strong economic performance in 2021 was achieved with no financial assistance from governments.

2021 Direct Economic Value Generated, Distributed and Retained¹⁰

	2021	2020
Direct economic value generated (Earnings from total oil and gas sales)	\$1,057.18	\$587
Direct economic value distributed (Operating costs, employee wages and benefits, payments to providers of capital, payments to government, and community investments)	\$438.84	\$367
Economic value retained Direct economic value generated minus economic value distributed)	\$618.34	\$220

	2021	2020
Operating costs	\$171.63	\$174
Salaries and benefits	\$62.40	\$39.22
Royalties paid	\$147.36	\$69.00
Taxes	\$53.48	\$80.00
Social investment	\$3.97	\$4.58
Payment to capital suppliers	\$0	\$0
Direct economic value distributed	\$438.84	\$367

For additional operational and financial information, see our Q4 2021 Financial Statements and MD&A.

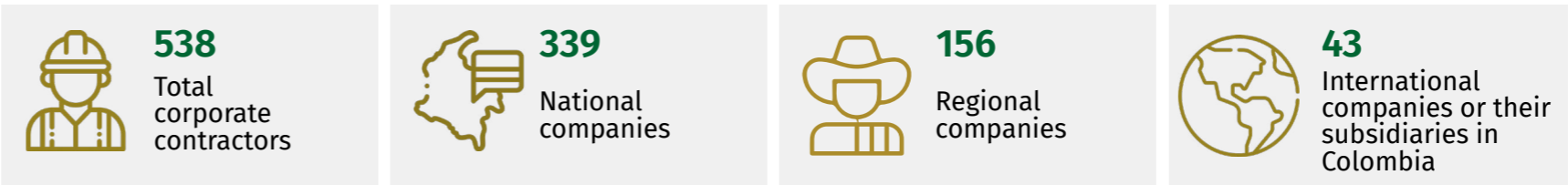
¹⁰ Our financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and the International Accounting Standards Board (IASB), and they were duly audited by PricewaterhouseCoopers AG.

BUILDING PARTNERSHIPS

GRI 204 OWN

Across the supply chain, we actively engage and work with Colombian-based and regional Latin American businesses. As an organization, we are committed to strengthening the capacity of local businesses and purchasing goods and services needed in our activities, from key local partners. By contracting local suppliers, we positively impact the local economy, and consequently fuel local community development.

Engagement with national and regional companies



\$309.95 million
COP 1,160,179 million

total purchasing goods and services

Enhancing our local purchasing from Colombia:

\$41.51 million
COP 155,375 million

purchasing goods and services (up 15.1% from 2020)



ENVIRONMENT

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



GREENHOUSE GASES AND CLIMATE STRATEGY

GRI 103-1

Parex aspires to become one of the world’s least GHG emissions-intensive oil and gas exploration and production companies while delivering shareholder value and helping to meet the growing energy demand. We believe that to benefit all stakeholders, realizing shareholder value must include delivering reductions in carbon-intensity.

2021 Highlights

- Reduced flaring emissions by 3% yoy
- Avoided 132,423 tCO2e in scope 1 and 3 emissions
- Achieved a 29% increase in renewable energy use

2022 Goals and Initiatives

- Launch methane emissions detection and measuring program
- Connect Cabrestero to the national power grid
- Deliver cogeneration project at Capachos

MANAGEMENT APPROACH

GRI 103-2

Reducing Operated GHG Emissions

In 2021, we announced our pathway to GHG emissions intensity reductions, focused on reducing flaring, increasing renewables and electrification, and achieving operational efficiencies. This included setting intensity-based targets using 2019 as our baseline year for lowering operated GHG emissions intensity along multiple time horizons.

Decarbonization Targets

SHORT TERM

By 2025 - Eliminate routine flaring, supporting the World Bank’s Zero Routine Flaring by 2030 Initiative

MEDIUM TERM

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

LONG TERM

Net zero operated scope 1 & 2 GHG emissions intensity by 2050 (long-term ambition)

We are delivering on our commitment, making progress against our 2030 GHG emissions reduction target. In 2021, our operated Scope 1 and 2 GHG emissions intensity decreased by 13% yoy; and we achieved a cumulative reduction of 34% compared to the 2019 baseline level. We are committed to take steps to further advance our decarbonization efforts in 2022.



Advancing Innovative and Creative Solutions

We established the GHG Project Team in 2021. This team is comprised of individuals from across the business and represents a forum to generate innovative solutions and initiatives focused on reducing corporate emission intensity levels and improving energy efficiency. Throughout the year, the team identified 10 potential projects, three of which have been progressed to Management for review and approval for further evaluation. The estimated budget of the proposed projects is approximately \$1.2 million.

In 2021

The following actions are underway:

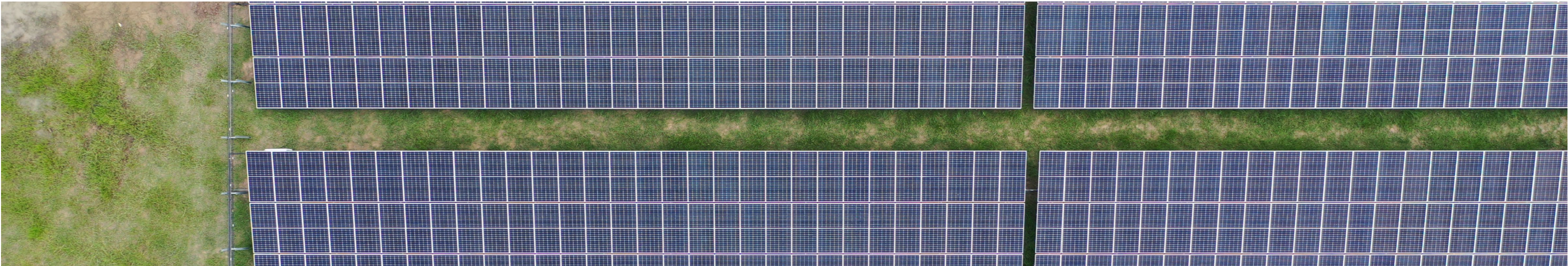
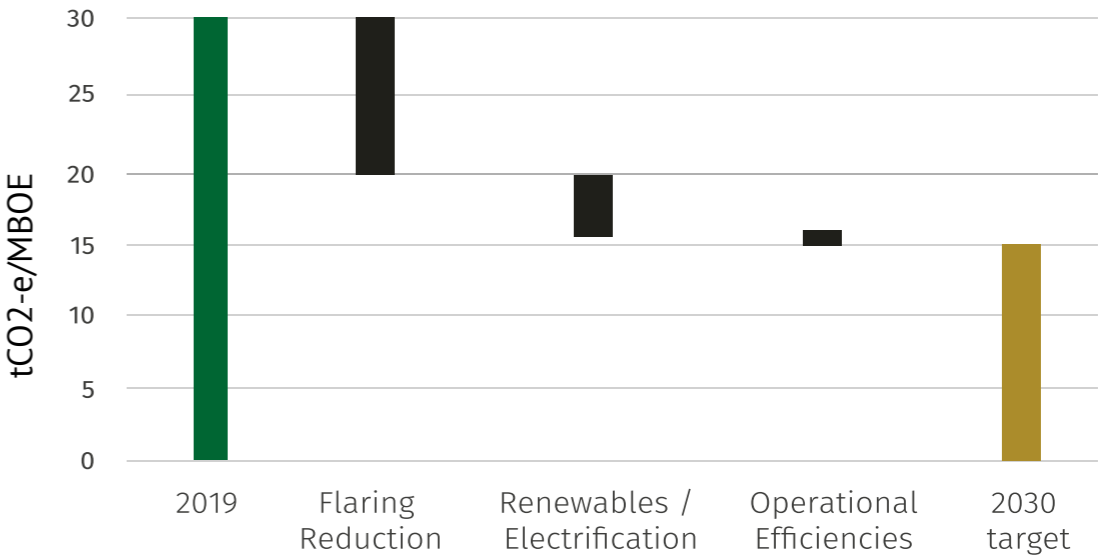
- Launching a pilot program to detect and measure methane emissions, with an Optical Gas Imaging (OGI) technology;
- Cogeneration at Capachos – installation of a heat exchanger to use the residual heat from the turbine exhaust in order to reduce the consumption of natural gas during gas treatment process; and,
- Evaluation of solar power systems in the Azogue and Boranda Fields.

Additionally, the Operations Team is advancing the following projects, which have the potential to further lower our operated GHG emissions intensity:

- Connecting the Cabrestero Field to the national power grid;
- Increasing the capacity of gas treatment in the Capachos field to reduce gas flaring; and,
- Starting up a solar power farm for self-consumption at the Cabrestero block.

The above initiatives and others being evaluated by both the GHG Project Team, and the Operations Team support our goal of reducing operated GHG emissions intensity by 2030 as outlined in the graph below:

Pathway to GHG Emissions Intensity Reduction



PRACTICES AND PERFORMANCE

- 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.2

Parex reports annually its climate-related practices and performance metrics through the CDP responses, which are available on the corporate website. In this section, we provide a snapshot of the 2019-2021 operated GHG emissions profile by scope and source.

Compared to 2020, our emissions increased as exploration and production activities returned to pre-pandemic levels in 2021. However, Parex was more efficient in producing its barrels as GHG emissions intensity decreased, going from **22.8 tCO₂e/Mboe to 19.8 tCO₂e/Mboe**.

GHG Emissions by Source

Emissions from all sources, except flaring emissions, increased yoy as a result of increased activities. Flaring emissions declined by **3%** yoy, primarily due to the emissions avoided from starting the gas processing plant at the Belleza field. During 2021, Parex undertook significant efforts to upgrade the facilities at La Belleza, enabling the reduction of flaring.

Source of emissions (tCO ₂ e)	2021	2020	2019
Flaring	69,885.15	72,339.49	96,409.97
Combustion	80,000.00	60,442.53	83,276.00
Fugitive	1,844.57	1,548.00	1,925.00
Processing	179.20	24.50	9.00
Venting	6,415.19	6,365.59	8,790.00

*For methodology of calculation please refer to advisory note on page 80.

GHG Emissions and Other Gas

tCO ₂ e, unless otherwise specified		2021	2020	2019
GHG Emissions				
Scope 1	Direct GHG emissions ^a	158,324.11	140,720	190,410
	Biogenic CO ₂ emissions ^b	868.44	349.91	390
	Percentage of methane ^a	11	12	12
Scope 2	Indirect GHG emissions from purchased energy	176.29	149.57	82.85
Scope 3	Other indirect GHG emissions ^d	2,828,433.53	2,695,995.19	38,193.94
	Biogenic CO ₂ emissions ^d	3,030.72	1,552.00	3,754.43
Intensity	GHG emission Intensity ^e (tCO ₂ e/Mboe)	19.82	22.83	30.01
GHG emissions avoided as a result of past initiatives ^f				
	Scope 1 emissions	130,424.71	67,132.73	8,652.88
	Scope 3 emissions	1,998.75	2,207.68	2,993.38
Other Gas ^g				
	NO _x emissions	5,419.15	5,121.75	981.01
	SO _x emissions	35,876.53	34,357.58	563.92
	VOC emissions	1,597.58	1,108.36	1,321.62
	Particulate matter (PM)	n.a	n.a	n.a

^a Global warming potential (GWP) factors and calculations in accordance with the IPCC Guide (2006) and ISO 14064-1.

^b Natural gas, crude, and diesel are calculated using Colombian fuel factors (FECOC), in kg/TJ, based on emission factors (EFs) for ACPM-Ecopetrol and the IPCC.

^c Emission factor from Resolution no. 000382 of November 11, 2021, issued by the Colombian government's Mining and Energy Planning Unit (UPME). For 2021, the following gases: CO₂, CH₄, N₂O are included (Scope 1 and 2).

^d Global warming potential (GWP) factors and calculations in accordance with the IPCC Guide (2006) and ISO 14064-1. For 2021, the following gases: CO₂, CH₄, N₂O, and HFCs are included. 2021 and 2020 include the use and processing of products sold but not 2019.

^e This calculation includes Scope 1 and 2. For 2021, the following gases: CO₂, CH₄, N₂O, and HFCs are included.

^f This calculation includes Scope 1 and 3. For 2021, the following gases: CO₂, CH₄, N₂O, and HFCs are included.

^g This calculation is the total of emissions associated with other gases and includes the use and processing of products sold.

GHG Emissions Reduction Opportunities and Initiatives

We rely predominantly on natural gas to power our facilities. At the end of 2021, **90%** of our operations' energy demand was being met by natural gas, which represents an important component of our emissions reduction strategy.

During the 2020-2021 period, we installed two geothermal units to generate renewable energy, using waste heat from produced water in the Maracas and Rumba fields. One unit is currently operational, and the second is expected to come online in 2022. This initiative, which relies on geothermal power generation, is the first of its kind in Colombia, and demonstrates the Company's commitment to investing in innovative and creative energy solutions.

Past emissions reduction initiatives are leading to significant avoided emissions. Yoy, the volume of scope 1 and 3 emissions avoided increased to **132,423 tCO₂e** from **69,340 tCO₂e**.

Delivering Improvements in Flaring: La Belleza Gas Plant

In 2021, we achieved an operational milestone that diversified our value chain when we began transporting gas (CNG) from La Belleza to our newly developed gas plant. La Belleza represents one of Parex' most important assets in the VIM-1 block. As a condensate gas field, La Belleza has created new opportunities for the Company in terms of evaluation and exploitation and is a key component that will help grow our gas portfolio in Colombia in the future.

Initiatives	2021 Projects	Estimated GHG Emissions Avoided (tCO ₂ e)
Scope 1		
Use of produced gas	Implementation of emissions reduction initiatives in the Capachos, Aguas Blancas, and La Belleza fields	130,052.94
Geothermal produced water waste heat plant	Start-up of geothermal plants in the Rumba and Las Maracas fields	371.76
Total Scope 1		130,424.71

Scope 3		
Flowlines	Connection between the Capachos block platforms and connection between the Llanos block 32 platforms	458.72
Natural gas in transportation	Installation of CNG systems for the truck transportation system	22.64
Efficient lighting	Replacement of light fixtures and reduction of fuel consumption by drilling rigs	424.99
Reuse of materials	Extension of the useful life of assets and reuse in new operations	1,092.4
Total Scope 3		1,998.75

First solar farm in Casanare

In 2021,

In partnership with Celsia, we invested in our first solar farm. Located next to the Cabrestero block, the farm includes **7,200 solar panels**. It has a projected capacity of **3 MW**; and its annual energy production is estimated at **5,900,000 kWh**, which is equivalent to the monthly energy consumption of **3,000** households in Colombia. The energy produced from the solar farm will power operations at the Kitaro-Akira field and is expected to avoid approximately **3,500 tCO₂e** in the first year. The solar farm became operational in 2022.





EFFICIENT ENERGY USE

■ GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4
■ OG-3, SASB EM-PM-420a.3

We understand the importance of energy efficiency within our operations and the positive impact increasing renewable energy sources can have on our carbon footprint. Hence, we are increasing our corporate consumption of renewable energy (up **29%** yoy). This increase in renewables aligns with our decarbonization efforts and is a result of our strong commitment to a more sustainable, efficient, and resilient energy system.

Energy	2021	2020	2019
Energy consumption within the organization, by source (terajoules)			
Non-renewable	1,269.31	1,127	1,435
Renewable	4.49	3.48	1.91
Total energy consumption per type (terajoules)			
Electricity	4.49	3.48	1.91
Heating	0.57	0.935	1.27
Steam	57.76	54.7	37.00
Total energy consumption within the organization (terajoules)	366.7	271.4	366.8
Total energy consumption outside the organization (terajoules)	409	217	502
Energy intensity ratio within the organization (kWh/BOE)	12.74	12.22	16.05

Energy for Arauca In 2021,


we assisted more than **18,000** families in the municipality of Tame and surrounding areas, located in the Arauca province, whose power grid sustained significant damages during a storm. Working with our partner Ecopetrol S.A. and GENERSA SAS ESP's technical and personnel support, we supplied the community with natural gas from our gas processing plant at the Capachos block. This plant, which produces dry gas that is then transformed into electricity and distributed by GENERSA SAS ESP, supplied the community with energy for 11 days, until the grid was repaired, and the power restored.

PAREX' BEST PRACTICES

ENERGY FOR ALL

Through our Energía para Todos (“Energy for All”) program, we provide access to renewable energy to neighbouring communities who lack power services. In 2021, we also installed photovoltaic solar energy generation systems in two local schools located in the municipalities of Pivijay and Plato, in the department of Magdalena. In total, 16 solar panels were installed benefiting 56 students. In this manner, we contribute to the fulfilment of the SDG no. 7.

Yamis García, a teacher at Las Colonias school, thanked Parex “because my students can get ahead and use computers; before, we didn’t have access to power, and this improves their learning conditions.”

 For more information on our Energy for All Program, click video.

BIODIVERSITY

SASB EM-EP-160a.1, SASB EM-EP-160a.3

Our biodiversity-related activities adhere to environmental regulations, our environmental licences' permits and restrictions, and are guided by best practices for the oil and gas industry.



2021 Highlights

- 2.36 km² of land restored for cacao agriculture
- 193 hectares conserved as areas of ecological importance



2022 Goals and Initiatives

- Continue to progress conservation and preservation initiatives

We do not conduct exploration and production projects in protected areas, as required by law

MANAGEMENT APPROACH

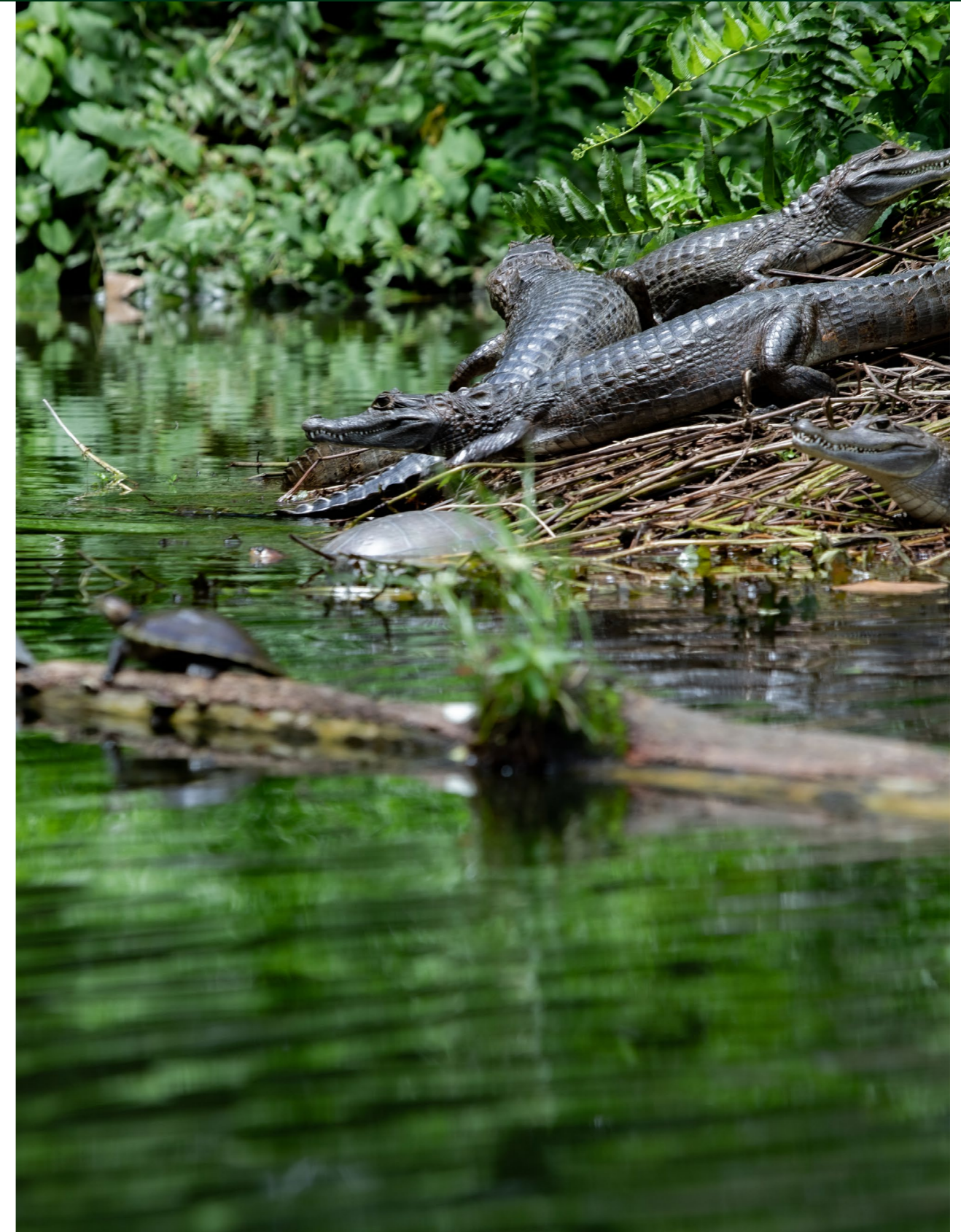
GRI 102-11

We employ preventive measures, based on the Precautionary Principle, to mitigate our environmental impacts while protecting ecosystems, species, and biodiversity. Using our Environmental Impact Assessment process and in compliance with the Environmental Licenses, we seek to develop our operations in a manner that respects local biodiversity. We work in collaboration with environmental authorities, social organizations, and local communities to undertake actions aimed at preserving biodiversity.

We map our operations' environmental surroundings, conduct risk analyses, and implement impact assessments following industry best practices to protect biodiversity. We are committed to meeting and/or exceeding local regulations regarding the protection of biodiversity. As part of this commitment, we align with the Resolution of 1912 (2017) of the Ministry of Environment and Sustainable Development, the International Union for the Conservation of Nature (IUCN), and the Ministry of Environment and Sustainable Development's National Restoration Plan (2015) methodology.

In addition, we conduct environmental preservation campaigns, including the development of agricultural and forestry initiatives, the protection and repopulation of endangered species, and the preservation of important ecological areas.

For further information see pages 30, 31, 32 and 41.



PRACTICES AND PERFORMANCE

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

In 2021, to protect local ecosystems, species, and biodiversity, we initiated several projects in the areas where we operate. Some of these projects covered mandatory biodiversity offsets, while others represented voluntary biodiversity initiatives.

Supporting Cacao Agriculture

In 2021, we completed the second phase of the Cacao Forestry Systems Program. The program focused on restoring land, in Casanare's municipalities of Tauramena, Aguazul, and Maní, that has been impacted and transformed due to farming activities back to its original savanna ecosystem. This phase restored **2.36km²** of forestry systems, building on the 1.59 km² of restored land completed during phase one in 2020. The National Environmental Licensing Authority (ANLA), which monitors and reviews land restoration, approved the project that was executed through an agreement with the National Federation of Cacao Farmers.



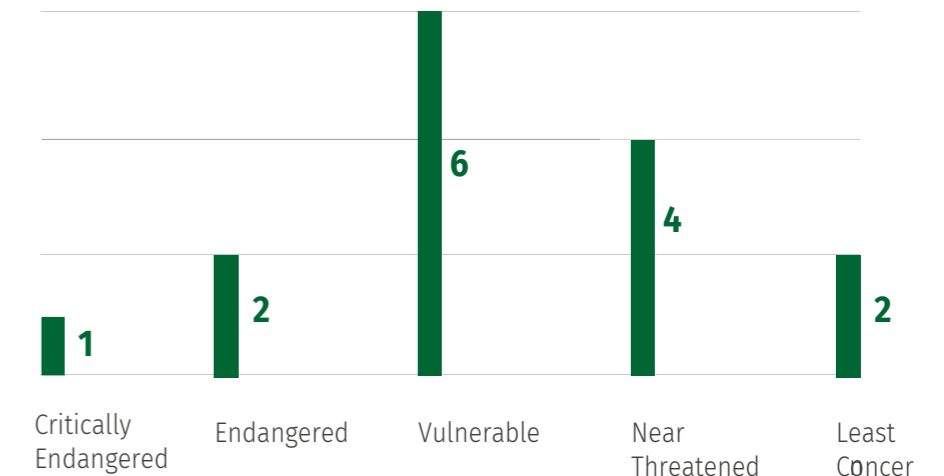
Protecting and Repopulating Species

We monitor our operations' potential impacts on fauna. In 2021, we mapped the fauna near our operations to determine potentially endangered species in accordance with the Ministry of Environment and Sustainable Development as well as the IUCN's lists. Through this work, we identified 15 species with varying degrees of conservation status near our operations.

We are proud of our Huella Galápagos Program, which was launched in 2015 and focuses on conserving the Galapagos tortoise. In 2021, we broadened our scope, adding the Expedición Oso Palmero Project, to protect the giant anteater. Our biodiversity initiatives are geared towards the preservation of strategic ecosystems in Parex' operating areas of influence.

SPECIES BY CONSERVATION STATUS NEAR PAREX' AREAS OF OPERATIONS

RESOLUTION No. 1912 (2017) AND IUCN



We work to protect endangered species within our biodiversity management program



Biodiversity Initiatives



See more information:
“Oso Palmero Project”,
click video.

Expedition Oso Palmero Project

To fulfil our environmental obligations in conserving the Colombian Orinoquía region’s biodiversity, we introduced the Expedición Oso Palmero Project, focused on protecting the giant anteater (*Myrmecophaga tridactyla*). An important part of this initiative, which is a partnership with the Cunaguaro Foundation, is to work with local communities to broaden knowledge and awareness on conservation efforts of the giant anteater, which is listed by the IUCN as vulnerable.

Did you know?

According to the IUCN, in the last ten years at least 30% of this species’ natural population have been lost in Latin America due to the transformation of natural ecosystems resulting from the expansion of farming areas.

Under this project, monitoring will be carried out in 120 sampling locations in six Casanare’s municipalities. The information being collected includes population data, habitat status and quality and priority items needed to improve their ecosystems.

Alongside these activities, an environmental education campaign within local communities will be conducted. We expect to reach more than 40 veredas (districts), through 70 workshops, to emphasise the importance of conserving the giant anteater and its habitat.



Acquisition Strategy for Areas of Ecological Importance

The designation and acquisition of ecological important areas destined for conservation and preservation near Parex’ operations is another way we are meeting our environmental obligations and fulfilling our voluntary commitments.

In 2021,

we carried out an inventory of living organisms prior to the acquisition and transfer of the following properties:

- Bruselas property, located in the vereda of Puerto Pinzón (Puerto Boyacá, Boyacá), with an area of 90.1 hectares. Located in the protected area of the Serranía de las Quinchas Regional Natural Park, this property is in one of Colombia’s richest areas in biodiversity and contains the last relicts of tropical rainforest of the Middle Magdalena Region.

- Casanare property, located in the municipality of San Vicente de Chucurí (Santander), with an area of 60.0768 hectares. This property was donated to the National Natural Parks of Colombia (PNN). It is characterized primarily by High Andean rainforests, and to a lesser extent by High Andean páramo wetlands, which are home to significant biodiversity in the North-eastern Andes region, with endemic and threatened species. This will be a preservation area since it is located within the Serranía de los Yariquíes National Natural Park.
- La Esperanza and Buenos Aires properties, both located in the municipality of Pore (Casanare), with an area of 43.11 hectares. These properties are in areas of environmental interest for the conservation and preservation of protected areas for water supply in the region. They were transferred to the Municipality of Pore.

We also carried out the studies and the registration as a protected area for the El Esparramo property, located in the vereda of Playitas, municipality of Paz de Ariporo (Casanare), with an area of 72.7015 hectares. It is now designated as the “El Esparramo” Civil-Society Natural Reserve.

600 TURTLES RELEASED IN ARAUCA

Throughout 2021, we continued the Huella Galápagas Program for the conservation of the savanna side-necked turtle, also known as the Llanos side-necked turtle, in areas surrounding our operations in Casanare and Arauca. This species is at risk of extinction due to the trade of its eggs and meat as well as the degradation of its habitat, which has been negatively impacted by climate change.

This program ensures the reptiles have a safe hatching process prior to being released into their natural environments. Through our efforts, we hope to help repopulate this species and to conserve their ecosystems and biodiversity. During the Travesía Bicentennial Rodando por las Galápagas event, 200 cyclists and volunteers from the communities of the municipalities of Paz de Ariporo (Casanare) and Tame (Arauca) contributed to the release of 600 turtles in the Tablón lagoon in Tame.

For this initiative to happen, we worked together with the La Esperanza Natural Reserve, the Orinoquia Biodiversa Foundation, the Corporación Autónoma Regional de la Orinoquia (CORPORINOQUIA), and the mayor's office of the municipality of Tame.



For more information on the activities carried out under the Huella Galápagas program, click video.

Over the past few years, 1,900 turtles have been released through the Huella Galápagas program.



WATER MANAGEMENT

GRI 103-1

Water is a strategic, shared resource that is essential to our operations and the sustainability of the environment and communities near our projects.

2021 Highlights

- No direct discharge to water sources
- Reused ~34,800 barrels of treated water under a pilot project

2022 Goals and Initiatives

- Continue to advance water treatment system

MANAGEMENT APPROACH

GRI 103-2

We proactively manage our water consumption by analyzing its availability using the environmental authorities' methodologies. In addition, we consider the potential risks and impacts on the environment and communities resulting from water usage in our operations and drilling activities. We rigorously adhere to the permits and restrictions set out by the environmental authorities; and are guided by our **Water Policy**.



PRACTICES AND PERFORMANCE

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

Risk Management and Monitoring

Having robust water management processes is a priority for Parex. In 2021, we implemented controls and monitoring measures focused on conservation to ensure efficient water use in our operations. These measures include, among other things:

- Analyzed +3000 samples monitoring water quality parameters from surface and underground water sources.
- Completed 42 risk assessments evaluating the vulnerability of contamination of water bodies from surface and underground water sources.
- Ensured no direct discharge to surface water sources by disposing wastewater through authorized third parties.
- Submitted 54 water-related compliance reports to conform with the environmental license requirements.

Via these controls, we quantify and monitor surface water withdrawals. We track the quantity and quality of water sources near our operations to ensure that water resources availability and potability for the communities are not affected.

Queries related to water usage made by the communities and/or their oversight committees are handled via the Petitions, Claims and Complaints Management System, in accordance with the Environmental Management Plan’s guidelines.

Water withdrawal from all areas (megalitres)	2021	2020
Surface	55.36	47.47
Ground	27.04	23.44
Produced (associated with the process)	5,308.77	4,200.44
Third parties	70.12	31.6
Total	5,461.29	4,302.95

Total Water Withdrawals Intensity from all areas	2021	2020
Intensity (m3/BOE)	0.68	0.70

Fresh Water Withdrawals Intensity	2021	2020
Intensity (m3/BOE)	0.019	0.017

Fresh water withdrawal intensity increased by 15% due to an increase in activities, including but not limited to civil works, drilling, and workovers.

Withdrawals from water-stressed areas	2021	2020
Total (megalitres)	0.017	0

Increased withdrawal from water-stressed areas was due to Parex purchasing water from a third party supplier to fulfil water requirements during 3D seismic activity. The supplier had a water withdrawal permit for the water-stressed region as classified by the World Resources Institute’s Water Risk Atlas. It is our practice to verify suppliers’ permits for water withdrawal according to the environmental authorities’ requirements.

Total Water Consumption ¹³ (megalitres)	2021	2020
Water consumption in all areas	97,43	74.86

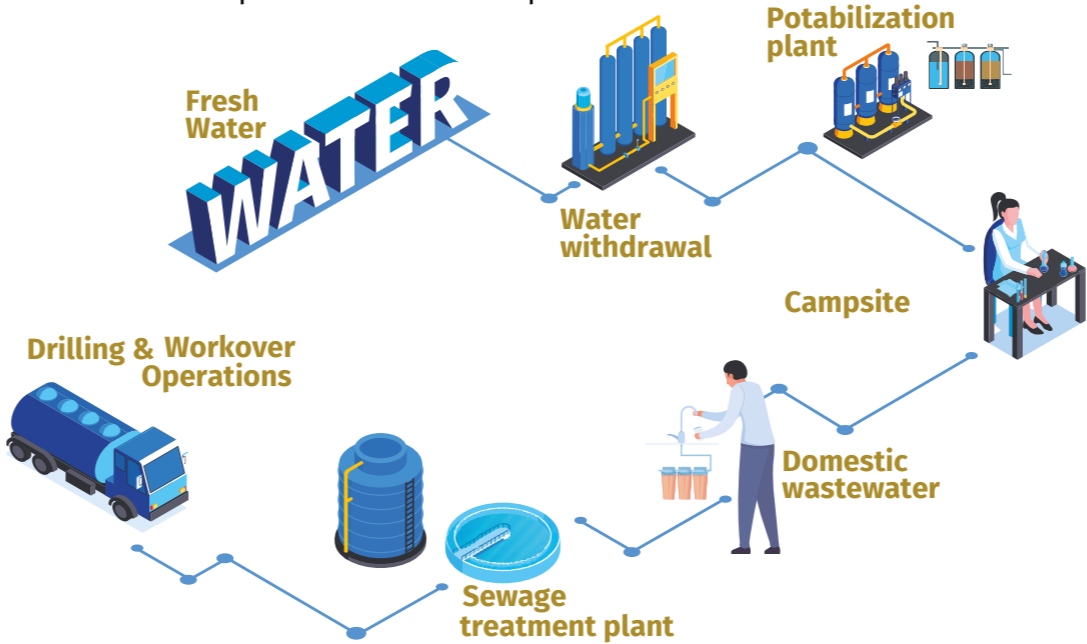
In 2021, Water consumption increased consistent with growth in operations.

	Megaliters		
	Breakdown of total freshwater withdrawal (total dissolved solids ≤ 1000 mg/l)	Other water withdrawal (total dissolved solids ≥1000 mg/l)	TOTAL
	1201,43	4107,34	5308,77
	M3		
Produced Water (Formation)	Breakdown of total freshwater withdrawal (total dissolved solids ≤ 1000 mg/l)	Other water withdrawal (total dissolved solids ≥1000 mg/l)	TOTAL
	1.201.433,00	4.107.338,35	5.308.771,35

Percentage of produced water reinjected in formation 99.9 %

Percentage of produced water discharged 0.1%

During 2021, we extended a 2020 pilot project around the development and implementation of an initiative that adopts new technologies related to water treatment. As part of this initiative, we developed a water treatment system to reuse domestic wastewater produced in our operations campsites. For drilling and workover activities, our teams reused approximately 34,800 barrels (4.1 Megalitres) of water in 2021. This activity avoided using water from surface sources that we would have withdrawn or purchased from third parties.



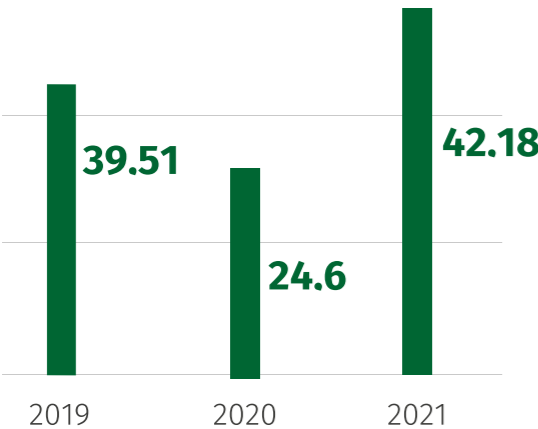
Water Discharge

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

At Parex, we do not discharge produced water and/or other operational discharges directly into surface water bodies as they can have negative environmental impacts, unless properly treated. All wastewater generated at our operations is sent to legally authorized third parties for proper treatment and disposal in compliance with environmental regulations.

Wastewater for Disposal

Transfer of wastewater to third parties (megalitres)



Wastewater disposal rates in 2021 are consistent with an increase in operational activities post pandemic.

Waste Management

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

We manage and monitor our waste disposal practices under the Company's Solid Waste Management Plan. We rely on licensed third parties for waste disposal. To comply with reporting requirements, we have implemented a robust system that tracks the processing and transfer of waste disposal.

In 2021, hazardous and non-hazardous waste volume increased significantly yoy due to higher operational activities. We are committed to minimizing our waste volumes; and in 2021, we recorded a positive trend with our recycling volume which increased yoy. We are focused on continuously improving our performance in this area. Through lessons learned from our 2021 performance, we aim to strengthen our policy and procedures and capitalize on opportunities for additional recycling in the future.

Drilling Muds and Cuttings

In 2021, we used muds without oil content in our drilling operations as the geological conditions did not require it. Consequently, Parex did not require a permit for the use of oily muds but took care to dispose of them using proper standards and following our mud and cuttings disposal protocols and industry best practice.

HAZARDOUS WASTE BY TYPE AND DISPOSAL METHOD (tonnes)	2021	2020
Reuse	15.69	24.06
Recycling	11.01	0.59
Incineration	42.56	24.35
Sanitary landfill (safety cell)	130.31	32.01
Other	1,861.66	14.93
TOTAL	2,061.24	95.94
NON-HAZARDOUS WASTE AND DISPOSAL METHOD (tonnes)	2021	2020
Reuse	0.39	940.62
Recycling	3,282.41	14.21
Incineration	0	0
Sanitary landfill (safety cell)	798.89	66.05
Other	1.81	0
Composting	0	18.93
TOTAL	4,083.5	1,039.80

OG-8 Parex prohibits the use of benzene and sulphur .





PAREX' BEST PRACTICES

WATER FOR ALL

During 2021, the Agua para Todos ("Water for All") program continued to expand its reach to families from neighbouring communities, helping to improve their health and well-being.

- In partnership with the mayor's office of Puerto López (Meta), we brought clean water to **2,200** residents of the vereda of Pachaquiario. Parex drilled a deep well and installed a treatment plant; the mayor's office improved the raised storage tank and upgraded the piping leading to the houses.
- In the vereda of Mata de la Urama, in the municipality of Tauramena (Casanare), **175 families** benefited from the installation of water purification kits in their homes, some of which operate using solar energy. We also installed a treatment plant and a cold-water dispenser in the local school, which will have positive impacts on the living and learning conditions of 90 students.
- In the vereda of Montebello in the municipality of Cumaral (Meta), **171 residents** now have safe water following the installation of 35 individual treatment systems. The vereda's school and health unit now also enjoy clean water. This project included the installation of five photovoltaic systems that provide renewable energy for the water treatment system.
- We installed an urban drinking water treatment system in the municipality of Puerto López (Meta). The community now has a drinking water treatment plant that ensures a practical and efficient supply of this much-needed resource.



ALIGNING SOCIAL AND ENVIRONMENTAL INVESTMENTS WITH SDGs

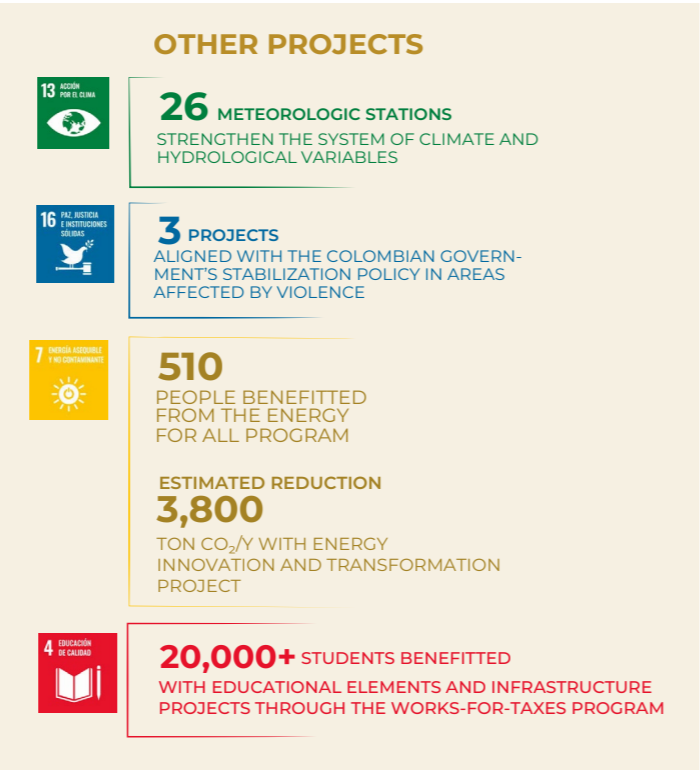


As a UNGC's member, Parex demonstrates its commitment to building a robust sustainability strategy along with its ability to evaluate, measure and communicate it, especially in terms of acting in support of the broader UN SDGs.

Parex aligns its social and environmental investments, both voluntary and mandatory, with several SDGs. This enables us to measure our contribution towards prioritized local, national, and global targets, and to understand our impact in the regions where we operate and invest in. As highlighted in the infographic, in 2021, we invested in projects that benefitted **112,000+ people** while progressing our contribution to SDGs:

Our Business strategy

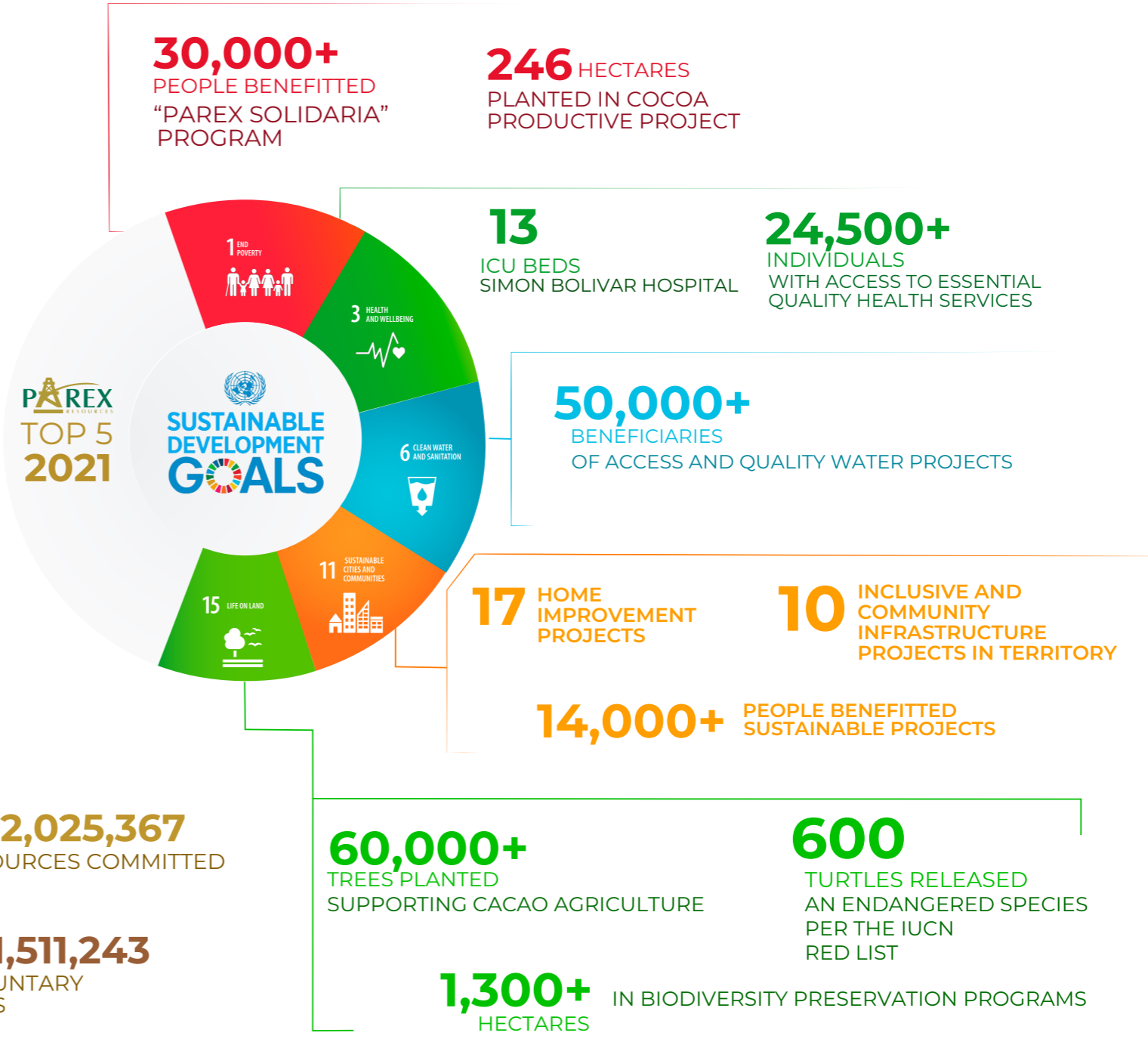
112,000+
PEOPLE BENEFITTED
FROM PROGRAMS THAT IMPACT SGDs



USD \$13,536,610
TOTAL INVESTMENT IN
PROGRAMS THAT IMPACT SGDs

USD \$12,025,367
TOTAL RESOURCES COMMITTED
89%

USD \$1,511,243
TOTAL VOLUNTARY
RESOURCES
11 %



SOCIAL



SOCIAL INVESTMENT AND COMMUNITY RELATIONS

GRI 103-1

We pursue a “win-win” social investment strategy that fulfils our promise of creating shared benefits” for the communities where we operate. Our growth must not only be reflected in the value created for shareholders, but also in the tangible, positive impacts that our activities have on local economic development and the living standards of our neighbouring communities.

2021 Highlights

- Resolved 99% of petitions, complaints and claims
- 3,000+ skilled and unskilled local jobs generated

2022 Goals and Initiatives

- Deliver USD\$~9.5M in social investment 2022
- Deliver more community projects through Works for Taxes
- Continue to advance Water for All and Energy for All Programs

MANAGEMENT APPROACH

GRI 103-2

Our **CSR Policy** guides our actions that are focused on building relationships with local communities based on trust and respect, and identifying win-win opportunities, aimed at enhancing local well-being and development. We contribute to regional development by supporting communities to meet Unsatisfied Basic Needs (UBN) in areas such as housing, water, sanitation, education, and income generation.



SOCIAL INVESTMENT STRATEGY + SUSTAINABILITY APPROACH

Parex’ commitment to local development helps transform communities



PRACTICES AND PERFORMANCE

GRI 103-3, GRI 203-1, GRI 203-2, GRI 413 OWN
SASB EM-EP-210a.3

We align our investments with local sustainable development goals and use the 2030 Agenda for Sustainable Development as a guiding tool. This approach ensures that efforts by the Company and local governments are aligned and have beneficial impacts for the communities.

Parex’ social investment strategy is based on three pillars:

1. Sustainable Communities
2. Actions for the Planet
3. Economic Development

Both the Community Benefit Programs (CBPs), which are part of our mandatory social investment plans, and our voluntary social investment projects, are aligned with these pillars. Our methodology emphasizes the active participation of communities in devising and planning projects congruent with their preferences and needs. Further, we seek to strengthen local governance through consistency between selected projects and the local government programs.

Through our social investment strategy, we strive to improve economic development, build sustainable and resilient communities, and protect the planet.

SOCIAL INVESTMENT STRATEGY + SUSTAINABILITY APPROACH

Parex’ commitment to local development helps transform communities



1. Sustainable Communities

We contribute to making the regions and settled areas where we operate inclusive, resilient, and sustainable, by ensuring people have access to clean water and affordable-safe housing.



2. Actions for the Planet

We champion environmental protection and conservation initiatives that contribute to the equilibrium and sustainability of the natural resources in the areas surrounding our operations.



3. Economic Development

We contribute to the promotion and growth of local businesses, suppliers, and/or service providers that enhance local capability and create new sources of employment and living wages.



Improved Water Access
1,675 people



Quality Education
7,282 people



Health and Wellness
835 people



Housing
4,764 people



Community and Government Infrastructure
6,323 people



Culture, Recreation and Sport
1,637 people



Water for All
11,090 people



Energy for All
110 students



Biodiversity
600 tortoises



Reforestation (Oxygen Day)
18,600 trees



Strengthening of production or farming projects
4,996 people



Support to local business and supplier development
94 businesses

340 people



Throughout 2021, we continued to support regional authorities with COVID-19 initiatives focused on prevention and medical assistance. As an organization, we focused our efforts on reactivating local economies in communities where we operate.

Strengthening Farming Capability

We worked with local businesses and entrepreneurs to help them establish new farming areas while enhancing the operational effectiveness of existing ones. These actions helped strengthen local businesses and led to economic growth for 4,996 farmers and businesspeople. The Company invested **US\$1,075,252 (COP 4,024,766,710)** in projects associated with this initiative.



Building Community Infrastructure

We continued our efforts to enhance local housing conditions in two areas:

1. Upgrading infrastructure to ensure safe and comfortable housing;
2. Enabling access to clear water and basic sanitation, to improve overall health conditions and personal well-being; and,

Additionally, Parex has supported other community projects related to local infrastructure including investment in hospital upgrades, educational institutions, and community centres.

Promoting Biodiversity

To promote environmental protection and biodiversity, the Company worked with communities to launch a tree planting initiative resulting in **18,600 trees** planted in 2021. Parex is also committed to protecting local wildlife, especially species that are at risk. For a second year in a row, we supported the release of the Savanna side-neck turtles, which resulted in **600** being released back into their natural environment (see pg. 32).



CONTRIBUTION TO LOCAL EMPLOYMENT

GRI 413- OWN

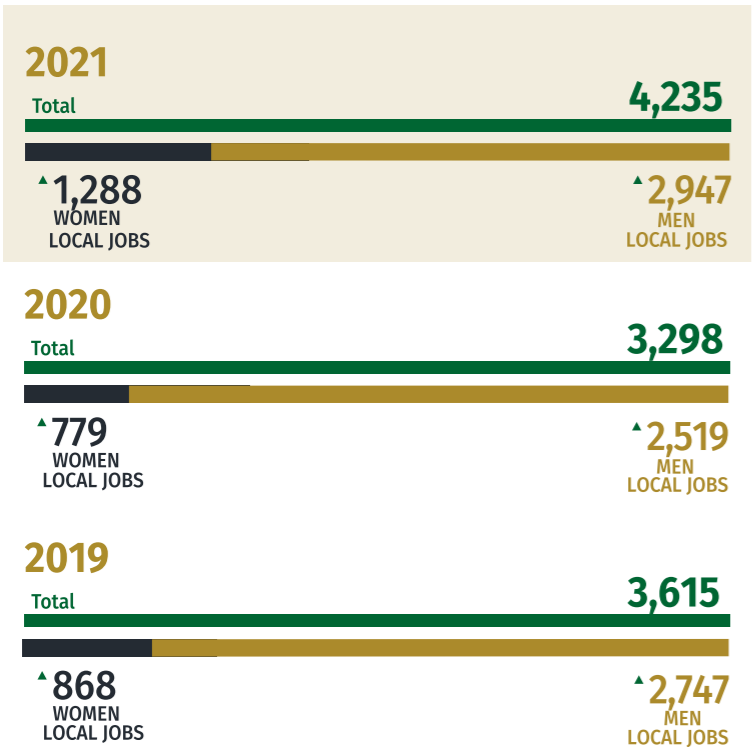
Using local skilled and unskilled labour in our operations has a positive impact on the quality of life of residents in the communities near our operations and contributes to overall regional prosperity. In Colombia, we hire local labour through the Public Employment System, a platform that facilitates timely access to employment opportunities and ensures transparency in the hiring process.

In 2021, together with our contractors, we developed an internal training strategy, focused on providing individuals with the education and/or experience required to work in unskilled labour positions during the projects' drilling and production phases. As part of this program, we focus on communicating the importance of a safety-first culture while on site. In addition to building local capability, our goal is to create long-term employment where possible.

2021 Social Investment of USD 3.97 Million

COP 15,204.23 million

Total skilled and unskilled labour by gender



Through our Mentor Program, our employees take on mentor roles with community personnel working for Parex. The program is focused on building shared awareness of occupational risks to drive safe operations across our business.

	2021	2020	2019
Skilled labour	352	647	373
Unskilled labour	3,883	2,651	3,242

STRENGTHENING LOCAL BUSINESSES AND SUPPLIERS

At Parex, we have actively contributed to driving economic reactivation post COVID-19 in the Casanare, Arauca, and Magdalena provinces. Through our Unidos para crecer ("Growing Together") program, created in 2018, we partnered with these regions' Chambers of Commerce to improve the business performance of 74 local companies. We analyzed their business plans and developed a training strategy to enhance their competitive standing and productivity.

Training was delivered through in-person and online workshops. Topics included: business governance, finance and accounting, personnel management, and sustainability. For those companies that demonstrated sound business models and value propositions, additional seed capital was made available.

Twenty additional companies received training in social and labour related management issues. All participating companies belong to local entrepreneurs directly or indirectly tied to Parex.

STRATEGY TO ADDRESS BLOCKADES AND PROTESTS

SASB EM-EP-210b.2

Respectful, transparent dialogue is fundamental to how we build and maintain relationships with stakeholders. We seek to create new opportunities for proactive, and constructive communication.

When a community's petitions exceed any prior agreement with Parex, the Committee for the Management of Social Conflict holds new "meetings for dialogue" with management involved as necessary. At these meetings, key decision-makers are convened to help bring resolution to blockades and/or protests. Following any agreements, we review the protests underlying causes and develop mitigation plans to handle similar future scenarios.

In 2021, we recorded 20 blockades; of which 65% were related to demands concerning the purchase of goods and services. During each blockade, we applied a consistent engagement approach, keeping communications channels open and using dialogue as a mechanism for settling differences and identifying win-win solutions.

Preventive actions:



Space for formal and informal communication



Weekly status meetings with communities' members



Identification of early warning signs



Monitoring of the area



Follow-through on commitments

MANAGING PETITIONS, COMPLAINTS AND CLAIMS

■ GRI 102-1, GRI 413-1, GRI 102-21, GRI 102-33, GRI 102-34
■ SASB EM-EP-210b.1

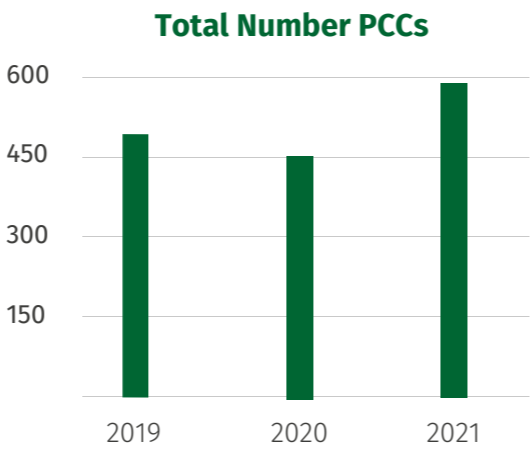
Addressing and resolving petitions and requests from communities and other stakeholders in a timely manner is essential to maintain good stakeholder relationships and represents an opportunity to assess potential operational risks.

We have a robust Petitions, Complaints and Claims (PCCs) Management System, which is available to and easily accessed by local stakeholders. PCC reports can be verbal or written and emailed to quejasyreclamos@parexresources.com. Our Legal team manages the PCCs reporting and response process, working with relevant internal departments as required.

In 2021, we began tracking PCC reports from ethnic and indigenous communities to facilitate their timely review and handling. Over the past year, we addressed six PCC files from five Indigenous communities near the VSM-36 block.

In total, we received 579 PCCs during 2021, including 53.3% complaints-claims and 46.6% petitions. By year-end, we had resolved 98.6% of PCCs and eight reports were pending but still within the reasonable timeframe for a response.

In 2021, we began tracking PCC reports from ethnic and indigenous communities



* PCCs increased by 29.4% from the previous year, primarily due to our growing operations.

Petitions, Complaints and Claims in 2021

Petitions	Number
Various topics	180
Employment opportunities	85
Exercise of right to information	5
Total petitions	270
Complaints and claims concerning:	
The environment	40
Contractors	151
Property owners	56
Road damage/maintenance	33
Particulate matters	4
Goods and services	23
Salaries and benefits	1
Claims from ethnic communities (indigenous)	1
Total complaints and claims	309
Total petitions, complaints, and claims	579
Resolved and closed PCCs	571
PCCs pending resolution, but still within the expected time frame	8

* More details in our GRI table



WORKS FOR TAXES: DELIVERING SIGNIFICANT COMMUNITY IMPACT

Through the “Works for Taxes” program, we have facilitated projects worth more than USD\$13.4 million (COP 50 billion) since 2018. Investments were categorized as PDET (Development Programs with a Territorial Approach) and ZOMAC (Areas Most Affected by the Armed Conflict) projects and supported the Arauca and Cesar municipalities. In total, Parex’ investments through the Works for Taxes program have benefitted more than 70,000 people.

We are committed to helping transform and stabilize the regions where we operate.

The ability to support initiatives that improve the living conditions of families from municipalities most affected by violence and poverty represents an important opportunity for Parex to give back to the local community. Our commitment to being a good community partner has resulted in Parex advancing the most projects through the Works for Taxes Program in Colombia, allowing Parex to allocate taxes directly to projects that benefit communities. In 2021, we carried out three Works for Taxes projects outlined on the next page.



2021 Projects & Progress

Access to clean Water

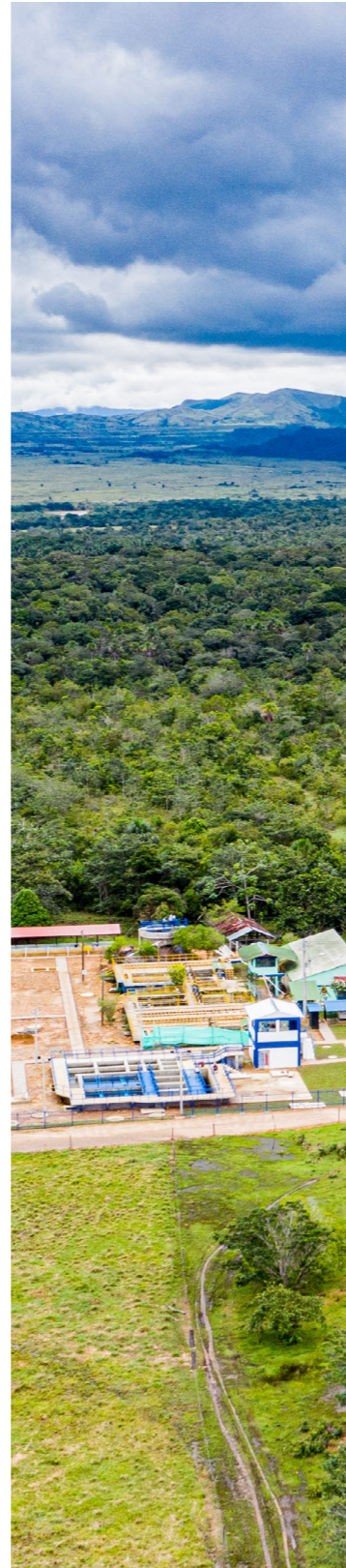
In 2021, we invested in two water infrastructure projects in Tame, Arauca, expanding access to safe drinking water for 30,383 community members.

- In Tame, Arauca, we expanded a potable water treatment plant and installed two water purification modules (with capacities of 100 and 50 l/s), for a value of COP 6,961 million (\$1.86 million), temporarily employing **117 local residents** during these projects.
- In the veredas district of Angosturas, Corocito, and El Triunfo, we helped build a water pipeline to benefit **2,400 residents**.
- In total, the project included 70 km of pipeline, a water intake centre, treatment plant and additional storage tank. This project invested COP 8,341 million (\$2.23 million) into the local community and generated 124 direct and indirect temporary jobs in the region.

Investing in Education and Technology

Throughout 2021, we provided local schools with access to technology designed by Computadores para Educar, to improve students learning environment. 44 schools in the Aguachica region benefitted from this program, which helped over 500 teachers and donated +4,000 computers, 97 non-internet driven navigation systems, 12 photovoltaic energy solutions, 43 digital laboratories. In total, 14,500 students and 524 teachers benefitted from the COP 13 billion (\$3.50 million) investment.

We owe the success of these projects to the joint efforts of the National Government, the Governments of: Arauca and Cesar, the Tame Municipality, the Mayor's Office of Aguachica Municipality, the Aguachica's educational community, Empresa de Servicios Públicos de Tame (CARIBABARE), the Community Action Boards of Angosturas, Corocito, El Triunfo, and Parex.



Works for Taxes 2021: Building Sustainable Regions

33,000 residents in Tame now enjoy potable water in their homes

"In 2019, teams from the public and private sectors and communities joined forces, and today the fruits of their labour can be seen in these two projects that have enabled the communities to enjoy clean water. Approximately one trillion pesos has been allocated to water for PDET municipalities, through OCAD Paz (royalty use program) and the PDET Works for Taxes mechanism. We are building equity and community with projects like this one."

Vice Minister of Water, José Luis Acero

"It has been a great benefit to us; it has improved our quality of life. Many communities aspire to have a water pipeline like this one. We are thankful to Parex, as the company that provided the funds for this project, and that has come to work with the communities and for the communities."

President of the Community Action Group for the vereda of El Triunfo, Robert Chía

14,500 students and more than 500 teachers in Aguachica today have technology and knowledge that allow them to improve the quality of education

"The joint work between the National Government and the productive and business sectors to provide better academic opportunities for boys, girls, youth and adolescents from all regions of the country, shows that the development and well-being of current and future generations is a matter that concerns us all and in which we all contribute."

Vice Minister of Preschool, Basic and Secondary Education, Constanza Alarcón Párraga

What Parex is doing is creating skills in students, to be better people, better human beings."

Mario Chamie Mazzi, Stabilization Manager for the Caribbean.



HUMAN RIGHTS AND INDIGENOUS PEOPLES' RIGHTS

■ GRI 103-1, GRI 412-2, GRI 408-1, GRI 409-1

Maintaining our social license to operate means recognizing and respecting the rights of all of our stakeholders, including indigenous and ethnic minorities, and ensuring that we adhere to the human rights provisions within national regulations and international declarations.

☆ 2021 Highlights

- Updated Human Rights Policy
- Zero complaints of human rights violations associated with Parex

🎯 2022 Goals and Initiatives

- Pilot human rights due diligence and impact assessment
- Progress development of a Human Rights Management System

In 2021, we revised and expanded our Human Rights Policy. The latest version was published on August 4, 2021, and 100% of employees in Colombia have received the required training.

We reject all forms of child labor

MANAGEMENT APPROACH

■ GRI 103-2

Our commitment to respecting human rights is underpinned by provisions in the 1948 Universal Declaration of Human Rights and by the International Labour Organization's 1998 Declaration on Fundamental Principles and Rights at Work. In addition, we conduct our business in line with the United Nations' Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights.

We strive to ensure that our operations do not impact people's rights. We align all our corporate policies, management processes, and sustainability programs with the commitments outlined in our **Human Rights Policy**. Through the PCCs reporting mechanism, we take actions to mitigate and remedy any impact on human rights resulting from our activities.

PRACTICES AND PERFORMANCE

■ GRI 103-3, GRI 410-1, GRI 411-1, GRI 412-1
■ SASB EM-EP 210a.1 SASB EM-EP 210a.2, SASB EM-EP-210b.1, SASB EM-PM-210a.3

We focus our human rights commitments and actions in areas that are most likely to be affected by the oil and gas industry, such as the environment, local communities, safety, labour rights, the supply chain, and the ability to access remedies in the event of a human rights violation. Our employees and contractors receive basic human rights orientation and are required to sign-off on reading and understanding the Company's human rights policy.



Respect for the Rights of Ethnic and Indigenous Communities

In order to build relationships based on trust and respect with indigenous people and ethnic communities, we have established guidelines on our process for consultation as outlined below.

Value Proposition

We consult, agree on, and develop social programs that improve living conditions; and we audit their implementation, with the aim of safeguarding the customs, knowledge, and traditions of indigenous people and ethnic communities.

Building Trust

We strive to prevent mistrust by communities or any misconceptions of the Company's social responsibility practices.

Dialogue and Relationships

We create spaces for open, inclusive dialogue where all opinions can be heard. This enables discussion and alignment on the methodology for prior consultations, and for the validation of information, identification of impacts, and formulation of agreements that are in line with communities' world views and life plans.

We are required to identify indigenous and/or ethnic communities during a project's feasibility assessment phase. We do this by engaging with the Ministry of the Interior and local stakeholders, as well as consulting various sources of information such as official databases, existing reports, or local knowledge.

Leading by Example: 2021 Activity

In 2021, we progressed a 3D seismic project at Block VSM-36, located in the province of Tolima. The project required us to carry out a comprehensive consultation process, as it is home to 27 indigenous communities. In an effort to build local relationships with these communities, we took the following steps:

- Held information sessions and local town halls;
- Communicated relevant bylaws and regulations; and,
- Met with local authorities and communities to understand expectations and design appropriate response measures.

As of the date of this report, the consultation process with these communities is still underway.

Guidelines for the protection and preservation of cultural heritage

Throughout the lifecycle of our operations, we must protect and preserve the archaeological/cultural heritage of Colombia, and, by extension, its indigenous and ethnic communities. To fulfil this commitment, we have preventive archaeology programs in place, along with their corresponding management plans. These follow the guidelines outlined by the Colombian Institute of Anthropology and History (ICAHN).



HUMAN CAPITAL

■ GRI 103-1, GRI 404-3, GRI 405-1, GRI 407-1

At Parex, our business success is a direct result of our people and their commitment to delivering superior results and ensuring our long-term sustainability. Our culture, which fosters an inclusive and collaborative work environment, is central to delivering against our performance metrics in the short and long-term.

★ 2021 Highlights

- Enhanced critical organizational capabilities: 6.6% increase in staff yoy
- Introduced an annual employee engagement survey
- Created and executed a Diversity, Equity & Inclusion (DE&I) Plan
- Evaluated the performance of 100% of employees

🎯 2022 Goals and Initiatives

- Introduce an employee recognition program to drive engagement
- Continue to advance DE&I Plan
- Launch Individual Development Plan
- Complete global benchmarking of roles to drive a consistent approach to pay practices

The Company respects the workers' freedom of association. In 2021 there was no collective bargaining in Parex.

MANAGEMENT APPROACH

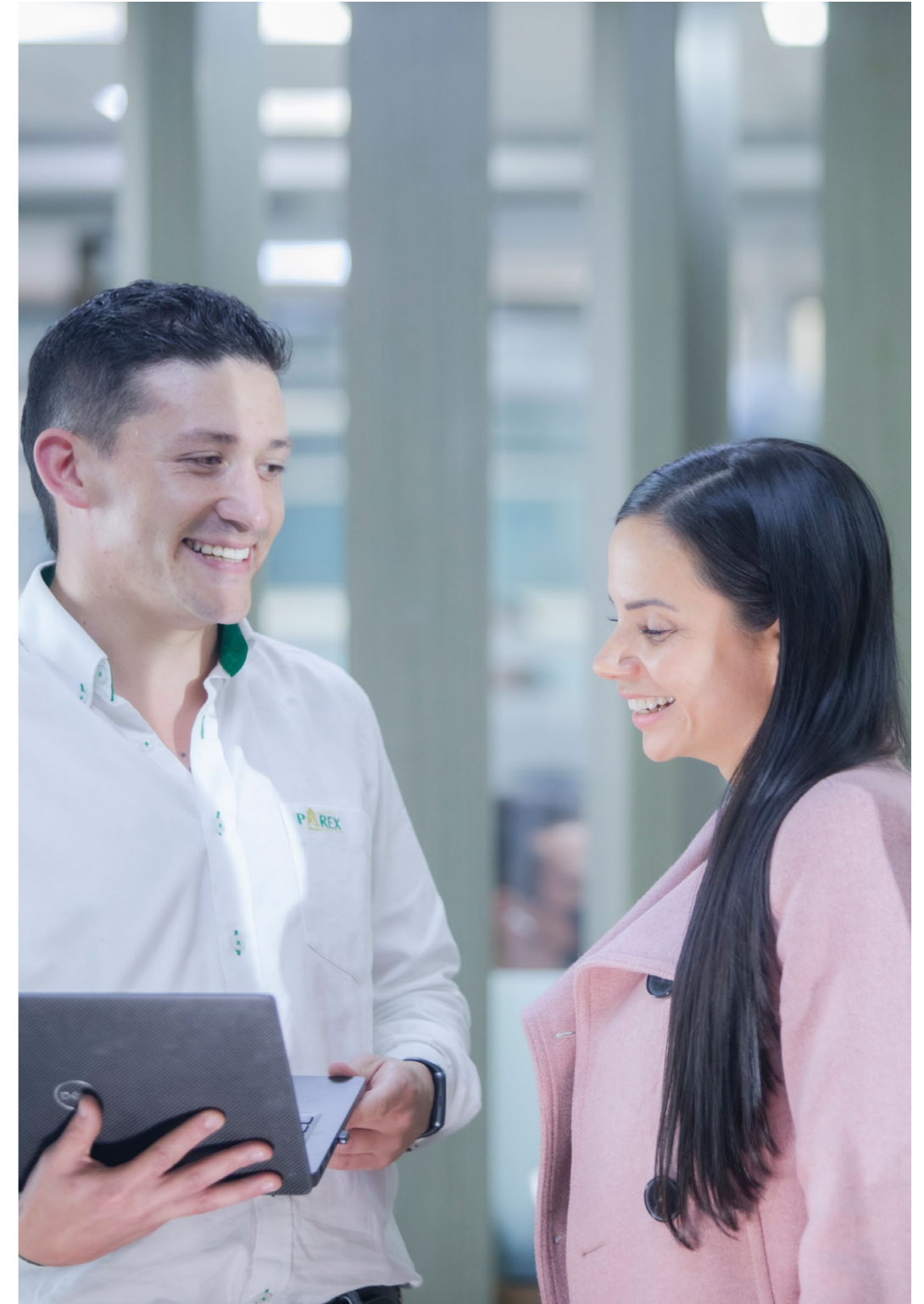
■ GRI 103-2

Having an engaged and committed workforce is foundational in delivering operational success, which is why at Parex we focused on attracting, engaging and retaining top talent across our organization. To that end, we are continuously improving our talent programs, including ensuring individual development plans are created for all employees and career and succession opportunities are proactively identified and planned for. In addition, Parex is committed to building an engaged corporate culture where work environments are inclusive and embrace all forms to promote diversity of thought.

PRACTICES AND PERFORMANCE

■ GRI 304-2, GRI 304-3, GRI 304-4, OG-4, GRI 103-3, GRI 404-2, GRI 405-1
■ SASB EM-EP-160a.1

At Parex, we are committed to continuous improvement. By implementing best practices, seeking feedback through surveys, and enhancing our employee offerings, we are focused on continuously improving employee engagement, talent development and well-being. Examples of actions we took in 2021 to improve our offerings include:



a) Enhance leadership capability throughout the organization

Building programs that enhance the capability of our people leaders is a priority at Parex. It helps drive performance across our business and develops high potential talent for future leadership roles. In 2021, we took the following steps for people leaders:

Introduced Leadership Development Program:

In 2021, twenty leaders representing ~5% of our population from Calgary and Colombia completed the inaugural leadership development program, which focused on building foundational leadership skills in communications, management, and team building.

Culture Rollout:

In 2021, Parex introduced a new culture. Foundational to our culture are nine cultural behaviours, which define how we work every day and guide leaders on team performance, coaching, and feedback.

b) Early Career Programs

Parex is committed to developing young professionals and building a talent pipeline that supports our long-term growth strategy. In 2021, we introduced a series of opportunities in Colombia under our Early Career Programs, including:

Sena Apprenticeship: Parex hosted 21 SENA apprentices, in different specialties:

SENA Apprentices 2021	
Communications and journalism	1
Business management	2
Document management	2
Health and safety	1
Accounting and financial	4
Administration management	4
Environmental control	2
Development of information systems	1
Petroleum engineering	3
Geology	1

In 2022, we will continue to invest in our Early Career Programs in Colombia and look to establish similar programs in our corporate office in Calgary.

“My name is Nicolás Chamat. During my last semester as a student of petroleum engineering, I had the opportunity to participate in Parex’ Early Career Programs. Thanks to the program, I am now employed in my area of expertise. The first thing I would like to highlight from my experience at Parex is my feeling of gratitude. Everyone was very capable and ready to give their support both professionally and personally. This experience was a great opportunity for me to apply what I had learned in school and apply it in practical settings. My advice for future candidates is to enjoy the program to the fullest and be willing to face new opportunities and challenges to enhance your technical and professional confidence.”

Nicolás Chamat (Young Talent, University Student by Labour Practice Agreement)

c) Establishing clear development & succession opportunities

To ensure employees understand how they can grow their careers at Parex, we made the following advancements in 2021:

- Initiated development of a new Career Framework & Compensation Structure:** This ensures all employee positions are appropriately placed within the Company’s new structure. The program will be implemented in 2022, driving consistency of job levels, and alignment with external third-party benchmarking.
- Updated our approach to Performance Management:** Introduced a new performance management process that reinforced the importance of effective and ongoing communication between leaders and employees.



d) Executed the Diversity and Inclusion Plan

Parex is working to build a culture of DE&I where all feel safe, valued, and empowered. In 2021, we took steps to better integrate our DE&I approach within the organization, raising awareness through education and dialogue. Actions included:

- **Introduction of cultural behaviours:** We rolled out updated cultural behaviours company-wide, including “Value Diversity & Inclusion.”
- **Company-wide DE&I Training:** We completed our first, company-wide training program focused on building awareness and a common understanding of the issues, challenges and opportunities related to DE&I. While the program was not mandatory, we had excellent participation in Colombia and Calgary, with 92% of employees participating.
- **Set a Board Diversity Target:** Recognizing that gender diversity is an important aspect of diversity on the Board, a target to achieve and maintain a Board where each gender represents at least 30% was set. This target was met in July of 2022.



e) Develop and promote employee self-management through new online tools

With much of our population working remotely throughout 2021 due to the COVID-19 pandemic, investing in online tools and software to support employee engagement and development continued to be an important priority. Throughout the year, we made significant gains, introducing the following tools:

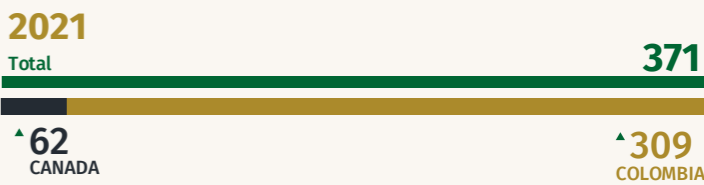
- **Launched “Employee Central” tool within Success Factors:** This tool provides employees with online access to their employment details, performance management information and other organizational information.
- **Launched “The Reservoir”:** Recognizing the value of communication as a tool to drive greater business awareness and engagement, we launched an upgraded employee intranet. In addition to serving as the go-to online , company-wide venue to access business related news, the intranet also features pages on our business units as well as our strategy, culture, commitment to DE&I and more.
- **Engagement Survey:** Introduction of an annual online engagement survey, meant to help inform our engagement strategy on areas where the organization excels and areas of opportunity.

■ GRI 102-07
■ SASB EM-EP-000.A, SASB EM-EP-160a.1

Employees by Gender - Canada + Colombia



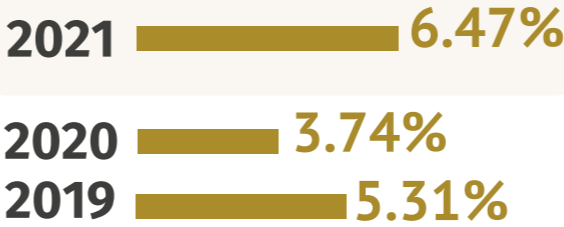
Employees by Region ¹⁶

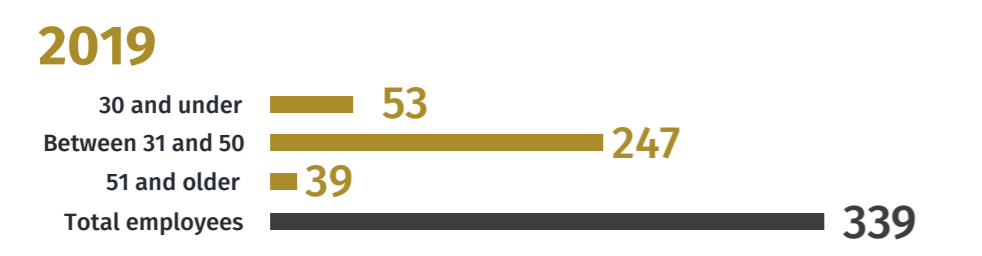
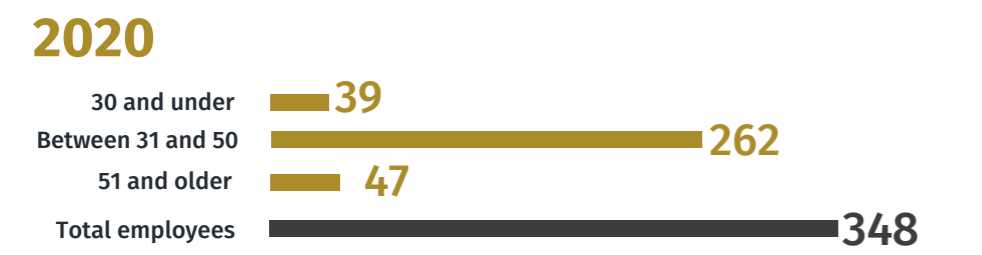
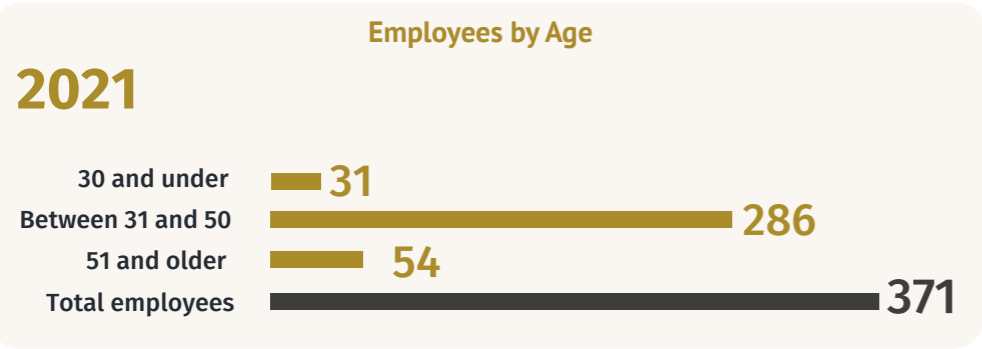


¹⁶ To view all our employee indicators, see Parex' historical table

■ GRI 401-1

Corporate Turnover Rate





Our talent management approach, including selection and hiring processes, is regularly evaluated to ensure it is market competitive. Tools used to support this evaluation include:

- Robust performance management cycle, focused on continuous dialogue;
- Employee engagement survey completed annually by our entire population workforce;
- Psychosocial risk surveys completed annually by our Colombian population; and,
- Comprehensive compensation and benefits.
- Parex does not hire personnel on part time contracts

GRI 401-1

New hires - Canada + Colombia*

		2021	2020	2019
New hires women	Number and %	17 (4.58%)	8 (2.30%)	13 (3.83%)
New hires men	Number and %	30 (8.09%)	14 (4.02%)	26 (7.67%)
Total new hires	Number and %	47 (12.67%)	22 (6.32%)	39 (11.50%)

* percentage values are based on total workforce.

GRI 401-3

In 2021,
Parex increased the overall percentage of women participating in our workforce
by 7.50% compared to 2020.

Nine (9) employees took maternity/paternity leave; 100% of them returned to work.



Compensation Equity

We subscribe to a pay-for-performance compensation philosophy whereby total compensation is competitive with the external market. Short-term and long-term incentives provide the opportunity to earn above-market total compensation for superior corporate and personal performance.

We strive to achieve pay equity for similar work regardless of gender, race, ethnicity or background. The below chart outlines the difference between men and women’s average earnings across our workforce in 2021, and is broken down by employee level.

Salary base ratio of women to men by employment level 2021	Canada	Colombia
Business Support	-	43%
Professional/Expert	79%	77%
Management	88%	88%
Executive	76%	-

(-) Insufficient data to compare with employee level

PAREX' BEST PRACTICES

PLAN PADRINO

Through the Plan Padrino initiative, established in 2013, and thanks to the voluntary contributions of employees and contractors, we have transformed the lives of 15 families across Colombia by building and providing fully furnished homes.

In 2021, two families from the municipality of Aguachica (Cesar) benefited from this program. César Julio Herrera, remarked, “we now have good living conditions; it is an immense joy to have received this home.” His daughter also gave thanks and said that her life and those of her siblings had changed significantly. At Parex, we are proud of the generosity and support of our employees and contractors.

BENEFICIARIES:

15 FAMILIES

87 PEOPLE

40 CHILDREN AND YOUTH

30 ADULTS

9 SENIORS

8 PEOPLE WITH DISABILITIES



For more information on Parex' Plan Padrino Video



WORKPLACE HEALTH AND SAFETY: A CULTURE OF SELF-CARE

■ GRI 103-1, GRI 403-9

Parex’ Workplace Health and Safety Management System promotes a safety-first mindset. Our license to operate is contingent on ensuring the safety and protection of people and the environment where we operate.

2021 Highlights

- Safe road program - defensive driving courses for 476 motorcyclists
- 84,362 hours of training on workplace health and safety
- Zero (0) cases of recordable occupational illnesses

2022 Goals and Initiatives

- Expand training and professional development program for motorcyclists
- Improved performance in lagging indicators
- Continue implementing control measures through leading indicators
- Implement workplace H&S strategies involving other areas of the Company
- Implement software platforms to facilitate internal workplace H&S processes
- Broaden the scope of road safety in the areas of influence of our operations

MANAGEMENT APPROACH

■ GRI 103-2

Our **HSEQ Policy** outlines our commitments to prevent workplace injuries, illnesses, and accidents throughout our operations. We have strong controls in place to create and maintain safe, healthy working conditions. Accountable for the identification, evaluation, and control of hazards and risks, we provide all human, technical, physical, and economic resources required to mitigate these.

We promote a culture of safety, whereby each worker takes ownership of and responsibility for their own well-being. Workplace health and safety is a commitment made by each of us, and all of our contractors. We take a systematic approach that enables us to make continuous improvements through predetermined mechanisms for communication, engagement, and consultation.

We promote a culture of safety, whereby each worker takes ownership of and responsibility for their own well-being.



PRACTICES & PERFORMANCE

■ GRI 103-3 SASB EM-EP-320a.1

We are guided by our HSEQ Policy’s commitments to continuously improve the Company’s Workplace Health and Safety Management System, which has been certified under Colombian Technical Standard NTC-ISO 45001: 2018. To implement the Policy, we have put in place the following programs:



Workplace health

Healthy lifestyles and habits
Food safety

Management leadership

General inspections
Communication of lessons learned (industrial safety and process safety)

Contractors management

Audits
HSE contract requirement

Training

Mentorship plan

Emergency response plan

Chemical hazards

Behaviour based safety SOS

Process safety

Confined spaces

Hazardous energy control

Strategic road safety plan

Working at heights

COVID-19

Behaviour-Based Safety Program

Our behaviour-based safety program, called “Safe Operations System – SOS,” promotes positive safety habits and skills, to facilitate clear, easy-to-remember information for workers, and to

build awareness around the importance of safety in the workplace. This enables us to build a culture of preventive safety practices reducing the risk of injuries. Through this program, employees are empowered to stop work if they identify any risk.

Contractor Screening Based on Workplace Health and Safety Criteria

We use the Kraljic Matrix and RAM analysis to prioritize suppliers based on the criticalness of the items they supply and level of risk in terms of workplace health and safety. The RAM scoring enables us to classify contracts into risk levels and to determine the actions and control measures needed within the contract and during its performance.

As a tool for ensuring ideal supplier selection, in 2021, we began requiring a letter from the Colombian Labour Risk Administration (ARL). The ARL system is mandatory for all the Colombian workforce providing coverage for accidents that may occur in the workplace. It also certifies each company’s labor-accident history, as well as the manner it observes and complies with applicable workplace health and safety standards.

To ensure contractors health and safety standards align with Parex’ we take the following steps:

- Ask contractors to submit a checklist and supporting documentation to substantiate that their workplace health and safety management systems comply with our policies, standards, and procedures and with applicable legal requirements;
- Hold orientations for all contractors before they can access our worksites; and,
- Ensure contractors participate in training scheduled within our Workplace Health and Safety Management System.

Over the past five years, we have held an annual event to acknowledge our contractors’ workplace health and safety performance. This is an excellent opportunity to recognize the progress and commitment to continuous improvement made jointly by Parex and its contractors.

Improving Our Performance

Our workplace health and safety leading indicators, which we use to evaluate the Company’s safety performance, have been improving, demonstrating a strong commitment to safety at the management and employee / contractor level. The same trend is also reflected in the lagging indicators, which have been improving year-over-year.

To evaluate our results, we carry out internal and external audits (ISO 45000), and we also audit our contractors.

HS Bulletin - testimonials from our contractors

“Safety only takes a moment, but an accident can take your life.”

- Juan Carlos Charry – Mechanic, Top Drilling Company

“Something important I’ve learned at Parex and Pioneer is that safety is not a matter of your horoscope, luck, or chance, but of incorporating prevention into how we work.”

- José Anibal Franco – Derrickman, Pioneer

“Our families are waiting for us at home, and that’s why safety comes first.”

- Ruth Villamizar – Driver, SITEC

The safety incidents that occurred in 2021 predominantly affected contractors’ hands including blows to the hand, contusion and sprains; direct employees suffered twists or sprains in the legs; none were characterized as a major accident. To prevent further occurrence of these accidents we enhanced our behaviour-based safety program as well as our Mentor Plan in an effort to highlight risk avoidance for hand and lower limbs.

In accordance with our “Manual for the Identification of Risks, Risk Evaluation and Definition of Controls”, the dangers identified are: physical, biomechanical, safety conditions, chemical, biological, psychosocial, and natural dangers. This Manual describes and classifies said dangers in terms of the Colombian Technical Guideline (CTG) 45.

Health and Well-Being for Our Workers

■ GRI 403-9

In accordance with Colombian law, all Colombian employees and contractors are enrolled in the Workplace Health and Safety System. In the case of a workplace incident, all our employees have coverage for medical benefits, through which they can receive specialized, high-quality medical care.

We seek to identify workplace-related illnesses or diseases early, through our confidential occupational medical services. Our staff, in Colombia, undergo annual medical check-ups, enabling us to identify trends and manage risks, in accordance with our Occupational Hygiene Program and international standards. These medical records incorporate a credentials management system that ensures the integrity of the documentation and of its associated information and restricts access to qualified medical personnel.

Road Safety Inside and Outside Our Operations

In 2021, we continued to advance our programs aimed at improving road safety in and around our operations. Through these actions both Parex and our contractors saw an improvement in transportation safety performance.

Safe Roads for All

The safety of our workforce and local community is a top priority at Parex, and we strive to create safe environments both inside and outside our operations. In 2021, we launched an ambitious Road Safety Program, in which we included different road users than those involved in our oil and gas transportation. This initiative arose in response to the high accident rates involving motorcyclists in the areas where we operate.



With the support of mayors' offices and of the Secretariats of Traffic and Transportation, we ran defensive driving courses for 476 motorcyclists from the veredas neighbouring our operations, in Arauca, Casanare, Cesar, Magdalena, and Santander regions. The theoretical and practical sessions focused on promoting a culture of road safety and reducing accidents.

Teodoro Triana, President of the Community Action Group for the vereda of Veinte de Julio (Rionegro, Santander), stated: "I am very thankful to Parex because they always incorporate the social aspect. This training is very important since most of our population gets around on motorcycles. We now

take safety measures such as the proper use of helmets and checking and maintaining the motorcycle before setting out."

Jader Rada, leader of the corregimiento of Cienagueta, municipality of Plato (Magdalena), also weighed in on our 2021 road safety campaign: "I would like to thank Parex for the training they gave us, where we learned to follow traffic signs and signals and to respect the lives of others. It has been great to work with you all, as a company who has come here not only to carry out its operations, but also to be a partner that supports us."

In 2022, our plan is to expand our training and professional development programming for motorcyclists.

For more information on our Road Safety Program

VIDEO

Scope of our Material Issues

Topic	Internal Scope (Departments)	External Scope
Corporate governance, ethics and transparency	Corporate Affairs Legal and Senior Management	All stakeholders
Risk management	Board of Directors Senior Management	Authorities Community, and Contractors
Economic performance	Finance and Senior Management	Authorities, Communities Contractors, Investors & shareholders Partners, and Suppliers
Climate and GHG emissions strategy	Environment & Communications, Environmental Feasibility & Monitoring, Operations, and Senior Management	Authorities, Civil society organizations, Communities, Contractors, Customers, Employees, Investors & shareholders, and Partners
Water management	Environment & Communications, Environmental Feasibility & Monitoring, Operations, and Senior Management	Authorities, Communities, Contractors, Employees, Civil society organizations, and Customers
Social investment and community relations	Environment & Communications	Authorities, and Civil society organizations, and Communities
Human rights andt Indigenous peoples' rights	Government Relations, Health & Safety, Legal, Security, and Senior Management	Authorities, Civil society organizations, Communities, Contractors, Employees, Partners, Investors & shareholders, and Suppliers
Human capital	Human Resources Senior Management	Employees
Workplace health and safety	All departments Health & Safety Department	Employees, Communities Contractors, Partners, and Suppliers



TCFD RECOMMENDATIONS INDEX

As an energy company, we have both the responsibility and opportunity to act and transparently disclose our climate-related practices and performance, which is why we are aligning our reports with the TCFD Recommendations. Parex released an Inaugural TCFD Report on December 17, 2021, based on 2020 metrics. This TCFD Index is meant to supplement information disclosed in the Inaugural TCFD Report with current climate-related metrics and information. For comprehensive disclosure on climate change, please see the TCFD Report and the 2022 CDP Climate Change Response.



TOPICS	Sustainability Report	TCFD Inaugural Report	CDP Climate (2022)
GOVERNANCE			
Disclose the organisation's governance around climate-related risks and opportunities			
a) Describe the board's oversight of climate-related risks and opportunities	16	6-7	C1.1b
b) Describe management's role in assessing and managing climate-related risks	17	6-7	C1.2, C1.2a
STRATEGY			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material			
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term		10 - 14	C2.1a, C2.2, C2.3, C2.3a, C2.4, C2.4a
b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning		15	C2.3a, C2.4a, C3.1, C3.2b, C3.3, C3.4
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario		11	C3.2, C3.2b, C3.2a
RISK MANAGEMENT			
Disclose how the organisation identifies, assesses, and manages climate-related risks			
a) Describe the organisation's processes for identifying and assessing climate-related risks	19	8-9	C2.1, C2.2, 2a,
b) Describe the organisation's processes for managing climate-related risks	19	8-9	C2.1, C2.2,
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	19, 24-28	8-9	C2.1, C2.2,
METRICS & TARGETS			
Disclose the metrics/targets used to assess and manage relevant climate-related risks and opportunities where such information is material			
a) Disclose the metrics used by the organisation to assess climate-related risks	26	16 - 17	C4.2, C4.2b, C9.1
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas	26	16 - 17	C4.2, C4.2b, C6, C6.3, C6.5, C6.5a
c) Describe the targets used by the organisation to manage climate-related risks	24-25		C4.1, C4.1b

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Material topic Corporate goverment and ethics (2016)

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Material topic: GHG emissions and climate strategy (2016)

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SASB TABLE

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS					
GREENHOUSE GAS EMISSIONS	CATEGORY	UNIT OF MEASURE	2021	2020	SASB DISCLOSURES
Scope 1 - Gross direct GHG emissions					
Scope 1 - Gross direct GHG emissions	Quantitative	Metric tons of CO ₂ -e	306,988.74	262,981.94	EM-EP-110a.1
% methane	Quantitative	Percentage	15%	19%	EM-EP-110a.1
% covered under emissions-limiting regulations	Quantitative	Percentage			EM-EP-110a.1
Scope 1 - Gross direct GHG emissions by source					
Flared emissions	Quantitative	Metric tons of CO ₂ -e	37,976.13	39,688.56	EM-EP-110a.2
Combustion emissions	Quantitative	Metric tons of CO ₂ -e	227,278.27	177,734.76	EM-EP-110a.2
Fugitive emissions	Quantitative	Metric tons of CO ₂ -e	1,386.16	1,148.86	EM-EP-110a.2
Process emissions	Quantitative	Metric tons of CO ₂ -e	141.97	23.86	EM-EP-110a.2
Vented emissions	Quantitative	Metric tons of CO ₂ -e	40,206.21	44,385.89	EM-EP-110a.2
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	Discussion & Analysis	n/a	Pages 24 - 27	Pages 58 - 61	EM-EP-110a.3
Air quality & other emissions					
NO _x	Quantitative	Metric tons	297.66	326.32	EM-EP-120a.1
SO _x	Quantitative	Metric tons	63.58	72.62	EM-EP-120a.1
VOCs	Quantitative	Metric tons	135.01	649.61	EM-EP-120a.1
WATER AND WASTEWATER MANAGEMENT	CATEGORY	UNIT OF MEASURE	2021	2020	SASB DISCLOSURES
Water extraction					
Total fresh water withdrawn	Quantitative	Megalitres	152.52	102.51	EM-EP-140a.1
total fresh water consumed	Quantitative	Megalitres	110.34	77.88	EM-EP-140a.1
% of fresh water withdrawn in region with high or extremely high baseline water stress	Quantitative	Percentage	0.01115	0	EM-EP-140a.1
% of fresh water consumed in region with high or extremely high baseline water stress	Quantitative	Percentage	0.0154	0	EM-EP-140a.1
Water disposal					
Volume of produced water	Quantitative	Megalitres	5308.77	4200.44	EM-EP-140a.2
% Discharged	Quantitative	Percentage	0.1	0	EM-EP-140a.2
% Injected	Quantitative	Percentage	99.9	100	EM-EP-140a.2

Water disposal						
% Recycled	Quantitative	Percentage	0	0	EM-EP-140a.2	
Hydrocarbon content in discharged water	Quantitative	Metric tons	19.82	15.19	EM-EP-140a.2	
Flowback generated	Quantitative	m ³ /year	0	0	EM-EP-140a.2	
% Discharged	Quantitative	Percentage	0	0	EM-EP-140a.2	
% Injected	Quantitative	Percentage	0	0	EM-EP-140a.2	
% Recycled	Quantitative	Percentage	0	0	EM-EP-140a.2	
% of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Quantitative	Percentage	0	0	EM-EP-140a.3	
% e of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Quantitative	Percentage	0	0	EM-EP-140a.4	
BIODIVERSITY IMPACTS		CATEGORY	UNIT OF MEASURE	2021	2020	SASB DISCLOSURES
Number of hydrocarbon spills						
Description of environmental management policies and practices for active sites	Discussion & Analysis	n/a	Pages 7 and 8	Pages 57		EM-EP-160a.1
Operations	Quantitative	Number	2	0		EM-EP-160a.2
Transportation	Quantitative	Number	0	0		EM-EP-160a.2
Volume of spills						
Operations	Quantitative	Barrels	4.42	0		EM-EP-160a.2
Transportation	Quantitative	Barrels	0	0		EM-EP-160a.2
Volume in Artic - not properties in Artic	Quantitative	Barrels	0	0		EM-EP-160a.2
Volume impacting shorelines with ESI rankings 8-10	Quantitative	Barrels	0	0		EM-EP-160a.2
Volume recovered	Quantitative	Barrels	0	0		EM-EP-160a.2
location of reserves in conservation cites						
Proved reserves in or near sites with protected conservation status or endangered species	Quantitative	Percentage	99.77	99.81		EM-EP-160a.3
Probable reservesin or near sites with protected conservation status or endangered species	Quantitative	Percentage	99.86	99.84		EM-EP-160a.3
2P reserves in or near sites with protected conservation status or endangered species	Quantitative	Percentage	99.8	99.82		EM-EP-160a.3
SECURITY, HUMAN RIGHTS & RIGHTS OF INDIGENOUS PEOPLES		CATEGORY	UNIT OF MEASURE	2021	2020	SASB DISCLOSURES
Location of reserves in or near areas of conflict						
Proved reserves in or near areas of conflict	Quantitative	Percentage	10.83	5.38		EM-EP-210a.1
Probable reserves in or near areas of conflict	Quantitative	Percentage	18.84	6.05		EM-EP-210a.1
2P reserves in or near areas of conflict	Quantitative	Percentage	13.78	5.61		EM-EP-210a.1
Location of reserves in or near areas indigenous land						
Proved reserves in or near areas indigenous land	Quantitative	Percentage	9.44	5.38		EM-EP-210a.2
Probable reserves in or near areas indigenous land	Quantitative	Percentage	14.07	6.05		EM-EP-210a.2

Location of reserves in or near areas indigenous land					
2P reserves in or near areas indigenous land	Quantitative	Percentage	11.15	5.61	EM-EP-210a.2
Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion & Analysis	n/a	pages 46 and 47	pages 40 and 41	EM-EP-210b.1
COMMUNITY RELATIONS					
	CATEGORY	UNIT OF MEASURE	2021	2020	SASB DISCLOSURES
Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion & Analysis	n/a	pages 39 and 40	pages 36 - 39	EM-EP-210b.1
Number of non-technical delays	Quantitative	Number	20	7	EM-EP-210b.2
WORKFORCE HEALTH AND SAFETY (Colombia only)					
	CATEGORY	UNIT OF MEASURE	2021	2020	SASB DISCLOSURES
Total recordable incident rate (TRIR)					
Employees	Quantitative	events/ hour	0.30	0	EM-EP-320a.1
Contractors	Quantitative	events/ hour	0.18	0.21	EM-EP-320a.1
Total	Quantitative	events/ hour	0.19	0.18	EM-EP-320a.1
Near miss frequency rate (NMFR)	Quantitative	events/ hour	5.59	1.32	EM-EP-320a.1
Fatality					
Rate	Quantitative	events/ hours	0	0	EM-EP-320a.1
Number of fatalities					
Employees	Quantitative	Number	0	0	EM-EP-320a.1
Contractors	Quantitative	Number	0	0	EM-EP-320a.1
Total Number of fatalities (employees and contractors)	Quantitative	Number	0	0	EM-EP-320a.1
Number of 3rd Party Fatalities	Quantitative	Number	0	0	EM-EP-320a.1
Average hours of health, safety, and emergency response training					
Full-time employees	Quantitative	Hours	13.9	13	EM-EP-320a.1
Contract employees	Quantitative	Hours	18.8	n.d.	EM-EP-320a.1
Short-service employee	Quantitative	Hours	n.d	n.d.	EM-EP-320a.1
Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion & Analysis	n/a	pages 53 - 55	pages 50 - 52	EM-EP-320a.2
RESERVES VALUATION AND CAPITAL EXPENDITURES					
	CATEGORY	UNIT OF MEASURE	2021	2020	SASB EM-EP-420a.1
Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Quantitative	Million tCO2-e	59.5	61.05	EM-EP-420a.2
Amount invested in renewable energy, revenue generated by renewable energy sales	Quantitative	Million barrels	n.d.	n.d.	EM-EP-420a.3
Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Discussion & Analysis	n/a	page 21	page 33	EM-EP-420a.4

Proved reserves in Transparency International’s Corruption Perception Index					
Proved reserves in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	Quantitative	Percentage	0	0	EM-EP-510a.1
Probable reserves in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	Quantitative	Percentage	0	0	EM-EP-510a.1
Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion & Analysis	n/a	pages 19 and 20	pages 24 - 29	EM-EP-510a.2
MANAGEMENT OF THE LEGAL & REGULATORY ENVIRONMENT					
	CATEGORY	UNIT OF MEASURE	2021	2020	SASB DISCLOSURES
Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion & Analysis	n/a	page 18	page 29	EM-EP-530a.1
CRITICAL INCIDENT RISK MANAGEMENT					
	CATEGORY	UNIT OF MEASURE	2021	2020	SASB DISCLOSURES
Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Quantitative	Quantitative	0.065	0	EM-EP-540a.1
"Description of management systems used to identify and mitigate catastrophic and tail-end risks"	Discussion & Analysis	n/a	pages 19 and 20	pages 31 and 54	EM-EP-540a.2
ACTIVITY METRICS					
	CATEGORY	UNIT OF MEASURE	2021	2020	SASB DISCLOSURES
Production of oil and gas					
Oil	Quantitative	Thousand barrels per day	45,280	45,218	EM-EP-000.A
Natural Gas	Quantitative	Million standard cubic feet per day	10,308	7,800	EM-EP-000.A
Average oil and gas production	Quantitative	Boe/d	46,998	46,518	EM-EP-000.A
Number and location of active sites					
Number of offshore sites	Quantitative	Number	0	0	EM-EP-000.B
Number of terrestrial sites (Colombia)	Quantitative	Number	41	24	EM-EP-000.C
Llanos Basin	Quantitative	Number	26	14	EM-EP-000.C
Lower Magdalena Basin	Quantitative	Number	3	2	EM-EP-000.C
Middle Magdalena Basin	Quantitative	Number	7	6	EM-EP-000.C
Upper Magdalena	Quantitative	Number	5	2	EM-EP-000.C

Percentages of reserves in or near areas with protected conservation status, in conflict and in indigenous land are included for 2P reserves (proved plus probable). By 2021 the percentages of reserves in or near conflict areas and indigenous reservations increase due to the inclusion of new blocks in the calculation

The estimation of GHG emissions embedded in reserves was made based on CO2 emission factors, density and caloric values of the FECOC (2016) (Colombian fuel emission factors). The emission factors for methane and nitrous oxide were taken from the IPCC (2006) for each type of fuel (gasoline, diesel and jet fuel).

In the category of total fresh water withdrawn, the figures are recalculated excluding water produced

EM-EP-420a.1 & EM-EP-420a.2							
Price Case (Scenario)	Proved Reserves			Probable Reserves			
	Oil (MMbbls)	Gas (MMscf)	Total (MMboe)	Oil (MMbbls)	Gas (MMscf)	Total (MMboe)	
IEA 2021 Stated Policies Scenario	120.39	32,443	125.8	67.33	37,015	73.5	
IEA 2021 Announced Pledges	119.97	32,384	125.36	67.45	37,074	73.63	
IEA 2021 Sustainable Development	119.34	32,213	124.7	67.07	36,005	73.07	
IEA 2021 Net Zero by 2050	109.53	25,559	113.79	70.08	41,065	76.93	

Parex’ WI per the independent reserve report prepared by GLJ Petroleum Consultants (“GLJ”) effective Dec. 31, 2021

TABLE OF HISTORIC INDICATORS

OPERATIONAL PERFORMANCE

GRI	Production and reserves (2016)	Unit	2021	2020	2019
102-7 & OG-1	Exploration and production blocks of interest	Number	41	24	22
	Gross area	Million gross acres	6.5	2.3	2.4
	Wells drilled in the year	Number of wells/year	49	30	43
	Producing wells drilled	Number of wells/year	34	25	38
	Non-producing wells drilled	Number of wells/year	15	5	5
	Exploration success rate	%	85	93	75
	Average oil and gas production	boe/d	46,998	46,518	52,687
	Variation of production compared to previous year	%	1.03	-11.71	18.64
	Gross operated production	boe/d	21,907	16,860	17,390
	2P reserves	Million boe	198.83	194.49	198.4
	Variation of reserves compared to previous year	%	2.23	-1.97	7.4
EM-EP	Abandonment and Decommissioning	Number of rigs/year	13	4	23

ECONOMY

	Direct economic value generated and distributed (2016)	Unit	2021	2020	2019
201-1	Direct economic value generated(Earnings from total oil and gas sales)	M USD	1,057.18	587	1,114.00
	Direct economic value distributed (Operating costs, employee wages and benefits, payments to providers of capital, payments to governments, and community investments)	M USD	438.84	367	647.37
	Economic value retained: “direct economic value generated” less “economic value distributed”	M USD	618.34	220	466.00
	Capital expenses	M USD	277	141	208
	Payment to capital suppliers	M USD	0	0	0
	Net income from operations	M USD	303	99	328
	Cash flow from operations	M USD	578	297	570
	Annual variation of cash flow provided by operations	%	95	48	42
	Shares issued (TSX)	Number	120,265,664	130,872,676	143,295,054
	Shares closing price	CAN	21.61	17.52	24.15

GRI	Direct economic value generated and distributed (2016)	Unit	2021	2020	2019
	Cash flow provided by operations per share	USD	4.61	2.15	3.90
	Net working capital	M USD	326	320	344
	Operating costs (opex, transport, and purchase of crude oil)	M USD	171.63	174	253
	Finding development and acquisition costs (2P)	USD/boed	18.35	8.45	7.57
	Realized sale price	USD/boe	60.97	32.55	54.7
Payments to the government (2016)		Unit	2021	2020	2019
201-1	Taxes paid to the government	M USD	53.48	80.00	197.00
	Royalties paid	M USD	147.36	69.00	135.00
Salaries and benefits (2016)		Unit	2021	2020	2019
201-1	Salaries and benefits including share-based compensation (Colombia + Canada)	M USD	62.40	39.22	58.65
	Annual variation of employee wages & benefits	%	59	-33	21
	Investment in employee training and career development (Colombia + Canada)	M USD	0.78	0.43	0.39
Social and environmental investment (own)		Unit	2021	2020	2019
201-1	Community investment	M USD	3.97	4.58	3.72
	Community investment	M COP	15,204.23	16,854	12,384
	Annual variation of community investment	%	-13	26	-16
	Investment in environmental programs	M USD	3.56	1.07	1.23
Indirect Economic Impacts (2016)		Unit	2021	2020	2019
203-2	Total families benefitted	Number	7,240	7,488	4,505
	Total projects executed	Number	143	136	135
Financial assistance received from government (2016)		Unit	2021	2020	2019
201-4	Total monetary value of financial assistance received by the organization from any government during the reporting period (tax relief and tax credits; subsidies, investment grants or ther grants; awards; royalty hoildays; financial assistance from Export Credit Agencies; financial incentives; other benefits received or receivable)	M USD	N/A	N/A	N/A
Public Policy (2016)		Unit	2021	2020	2019
415-1	Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary	USD	N/A	N/A	N/A

GOVERNANCE

GRI	COMPOSITION OF THE HIGHEST GOVERNANCE BODY	Unit	2021	2020	2019
102-22	Male members of the Board of Directors	Number	7	7	8
	Female members of the Board of Directors	Number	2	2	2
	Members of the Board of Directors between 50-55 years old	Number	0	0	1
	Members of the Board of Directors between 56-60 years old	Number	1	1	4

GRI	COMPOSITION OF THE HIGHEST GOVERNANCE BODY	Unit	2021	2020	2019
	Members of the Board of Directors between 61-65 years old	Number	5	5	3
	Members of the Board of Directors between > 66 years old	Number	3	3	2
ANTICORRUPTION		Unit	2021	2020	2019
205-1	Number of operations assessed for corruption-related risks	Number	n.d.	n.d.	n.d.
	Percentage of operations assessed for corruption-related risks	Percent	n.d.	n.d.	n.d.
205-2	Number and percentage of members of the Board of Directors to whom the organization's policies and procedures have been communicated	Number and %	9 (100%)	9 (100%)	n.d.
	Number and percentage of employees to whom the policies and procedures have been communicated (Colombia)	Number and %	309 (100%)	297 (100%)	285 (100%)
	Number and percentage of partners to whom the organizations's policies and procedures have been communicated (Colombia)	Number and %	100	100	n.d.
	Number and percentage of members of the Board Directors who have received training in anti-corruption	Number and %	9 (100%)	9 (100%)	n.d.
	Number and percentage of employees who have received anti-corruption training (Colombia)	Number and %	309 (100%)	297 (100%)	n.d.
	Number and percentage of employees who have received anti-corruption training (Canada)	Number and %	62 (100%)	51 (100%)	n.d.
205-3	Total number of confirmed incidents of corruption and actions taken	Number	0	0	0
	Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	Number	0	0	n.d.
	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	0	0	n.d.
	Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	Number	0	0	n.d.
Anti-competitive behavior		Unit	2021	2020	2019
206-1	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	0	0	0
102-17	Mechanisms for advice and concerns about ethics. Reports of violations to the code of conduct and ethics	Number	1	1	0
	Claims due to unjustified layoffs / harassment Parex - HR	Number	0	0	0
	Claims concerning violation of human rights	Number	0	0	0
419-1	Non-compliance with regulations in the social and economic spheres	Number	0	0	n.d.
EM-EP 510a.1	Proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percent	0	0	0
Environmental Regulatory Compliance		Unit	2021	2020	2019
307-1	Non-compliance with environmental legislation and regulations	Number	0	0	0
	Total monetary value of significant fines	USD	0	0	n.d.
	Total number of non-monetary sanctions	Number	0	0	n.d.

ENVIRONMENT

GRI/SASB	Materials (2016)	Unit	2021	2020	2019
301-1	Total weight or volume of renewable materials that are used to produce and package the organization's pimar products and services during the reporting period	Tons	n.d.	n.d.	n.d.
	Total weight or volume of non-renewable materials that are used to produce and package the organization's pimar products and services during the reporting period	Tons	n.d.	n.d.	n.d.
	Energy (2016)	Unit	2021	2020	2019
302-1	Total fuel consumption within the organization from non-renewable sources (include fuel types used)	Terajoules	1,269	1,127	1,435
	Total fuel consumption within the organization from renewable sources (include fuel types used)	Terajoules	4.49	3.48	1.91
	Total electricity consumption	Terajoules	4.49	3.48	1.91
	Total heating consumption	Terajoules	0.57	0.935	1.27
	Total cooling consumption	Terajoules	N/A	N/A	N/A.
	Total steam consumption	Terajoules	57.76	54.70	37
	Total energy sold	Terajoules	N/A	N/A	N/A
	Total heating sold	Terajoules	N/A	N/A	N/A
	Total cooling sold	Terajoules	N/A	N/A	N/A
	Total steam sold	Terajoules	N/A	N/A	N/A
	Total energy consumption within the organization (field energy)	Terajoules	366.7	271.4	366.8
302-2	Energy consumption outside of the organization	Terajoules	409	217	502
302-3	Energy intensity rate for the organization (=absolute energy consumption/organization specific metric)	Kw.hr/boe	12.74	12.22	16.05
	Organization-specific metric (the denominator) chosen to calculate the ratio	boe	7,995,924	6,170,801	6,347,566
	Types of energy included in the intensity ratio	Narrative	Fuel & electric	Fuel & electric	Fuel & electric
302-4	Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives	Joules	5,644,174,599,859	891,102,761,900	n.d.
	Base year for calculation	Year	2021	2020	n.d.
	Water and Effluents (2018)	Unit	2021	2020	2019
303-3	Total volume of water withdrawal	Megaliters	5,461.29	4,302.95	7,435.40
	Surface water withdrawal	Megaliters	55.36	47.47	63.9
	Groundwater withdrawal	Megaliters	27.04	23.44	35.8
	Seawater withdrawal	Megaliters	0	0	N/A
	Produced water	Megaliters	5,308.77	4,200.44	0
	Third-party water (municipalities or other companies)	Megaliters	70.12	31.6	74.0
	Total water withdrawal from areas of water stress	Megaliters	0.017	0	n.d
	Surface water extraction in areas with water scarcity	Megaliters	0	0	n.d
	Groundwater extraction in areas with water scarcity	Megaliters	0	0	n.d

GRI	COMPOSITION OF THE HIGHEST GOVERNANCE BODY	Unit	2021	2020	2019
	Seawater extraction in areas with water scarcity	Megaliters	0	0	n.d
	Produced water in areas with water scarcity	Megaliters	0	0	n.d
	Third-party water and breakdown by withdrawal sources	Megaliters	n.d	n.d	n.d
	Breakdown of total freshwater withdrawal (total dissolved solids < 1000 mg/l)	Megaliters	1,353.95	102.51	n.d
	Breakdown of total other water withdrawal (total dissolved solids > 1000 mg/l)	Megaliters	4,107.34	4,200.44	7,261.70
303-4	Water with hydrocarbon content discharged to the environment	Metric tons	19.28	15.19	n.d.
	Total water discharge to all the areas	Megaliters	5,363.86	4,228	7,324
	Total water discharge to surfacewater	Megaliters	0.00	0.00	0.00
	Total water discharge to groundwater	Megaliters	N/A	N/A	N/A
	Total water discharge in seawater	Megaliters	N/A	N/A	N/A
	Total water discharge given to third parties	Megaliters	n.d	n.d.	n.d.
	Total water discharge in formation water (reInjection)	Megaliters	5,321.68	4,203	7,284
	Breakdown of water discharge to all areas as freshwater (total dissolved solids < 1000 mg/l)	Megaliters	n.d	n.d.	n.d.
	Breakdown of water discharge to all areas as other water (total dissolved solids > 1000 mg/l)	Megaliters	n.d	n.d.	n.d.
	Number of incidents of non-compliance with discharge limits	Number	0	n.d.	n.d.
	Percent flowback discharged	Percent	0	0	0
	Percent flowback reinjected	Percent	0	0	0
	Percent flowback recycled	Percent	0	0	0
303-5	Total water consumption in all the areas	Megaliters	97.43	74.86	174.12
	Total water consumption in all the areas with water scarcity	Megaliters	0.017	0	n.d
	Change in water storage if water storage has been identified as having a significant water-related impact	Megaliters	n.d	n.d.	n.d.
Biodiversity (2016)		Unit	2021	2020	2019
304-3	Size of all habitat areas protected or restored and whether the success of the restoration measure was or is approved by independent external professionals	km²	2.49	1.59	n.d.
304-4	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	15	24	16
	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	1	3	0
	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	2	2	0
	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	6	11	4
	Total number of not 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	4	5	1
	Total number of species that are of least 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	2	3	11
Emissions (2016)		Unit	2021	2020	2019
	Gross direct (scope 1) GHG emissions (Operational)	Metric tons CO ₂ e	158,324.11	140,719.81	190,410
	Gross direct (scope 1) GHG emissions (Financial)	Metric tons CO ₂ e	n.d.	n.d.	n.d.

GRI	Emissions (2016)	Unit	2021	2020	2019
305-1	Gases included in the calculation	Description	CO2, CH4, N2O, HFC	CO2,CH4, N2O,HFC	CO2, CH4, N2O
	Biogenic CO2 emissions	Metric tons CO ₂ e	868.44	349.91	390
	Base year for calculation	Year	2021	2020	2019
305-2	Gross location-based energy indirect (scope 2) GHG emissions	Metric tons CO ₂ e	176.29	149.57	82.85
	Gross market-based energy indirect (Scope 2) GHG emissions	Metric tons CO ₂ e	N/A	N/A	N/A
	Gases included in the calculation (CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all)	Description	CO2, CH4, N2O	CO2, CH4, N2O	CO2, CH4, N2O
	Base year for calculation	year	2021	2020	2019
305-3	Gross other indirect (Scope 3) GHC emissions	Metric tons CO ₂ e	29,569.76	19,974.05	38,193.94
	Gross other indirect (Scope 3) GHC emissions (Use and Processing of sold product)	Metric tons CO ₂ e	2,798,863.77	2,676,021.15	n.d
	Gases included in the calculation (CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all)	Description	CO2, CH4, N2O, HFC	CO2, CH4, N2O, HFC	CO2, CH4, N2O
	Biogenic CO2 (Scope 3) emissions	Metric tons CO ₂ e	3,030.72	1,552.00	3,754.43
	Base year for calculation	year	2021	2020	2019
305-4	GHC emissions intensity ratio for the organization	Metric tons CO ₂ e/boe	0.01982	0.022828427	0.030010312
	Organization-specific metric (the denominator) chosen to calculate the ratio	boe	7,995,924.00	6,170,801	6,347,566
	Types of GHC emissions included in the intensity ratio Scope 1, Scope 2 and or Scope 3 emissions	Description	Scope 1+2	Scope 1+2	Scope 1+2
	Gases included in the calculation (CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all)	Description	CO2, CH4, N2O,HFC	CO2, CH4, N2O,HFC	CO2, CH4, N2O
305-5	GHC emissions reduced as a direct result of reduction initiatives	Metric tons CO ₂ e	130,424.71 Scope 1	67,132.73	8,652.88
		Metric tons CO ₂ e	1,998.75 Scope 3	2,207.68	2,993.38
	Gases included in the calculation (CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all)	Description	CO2, CH4, N2O,HFC	CO2, CH4, N2O,HFC	CO2, CH4, N2O
	Base year for calculation or baseline	year	2021	2020	2019
	Scopes in which reductions took place	Description	Scope 1+3	Scope 1+3	Scope 1+3
305-6	Production, imports, and exports of ozone depleting substances	Metric tons CFC-11e	0	0	0
305-7	NOX emissions	Metric tons	5,419.15	5,121.75	981.01
	SOX emissions	Metric tons	35,876.53	34,357.58	563.92
	POP persistent organic pollutants	Metric tons	n.d	n.d	n.d
	VOC emissions	Metric tons	1,597.58	1,108.36	1,321.62
	HAP hazardous air pollutants	Metric tons	n.d	n.d	n.d
	Particulate matter (PM)	Metric tons	n.d	n.d.	n.d.
	Flared emissions	Metric tons	69,885.15	72,339.49	96,409.90
	Combustion emissions	Metric tons CO ₂ e	80,000.00	60,442.53	83,276.00
	Fugitive emissions	Metric tons CO ₂ e	1,844.57	1,548.00	1,925.00
	Process emissions	Metric tons CO ₂ e	179.20	24.50	9.00
	Vented emissions	Metric tons CO ₂ e	6,415.19	6,365.59	8,790.00

Waste (2020)		Unit	2021	2020	2019
306-3	Total waste generated	Metric tons	6,144.74	1,135.74	6,148.40
	Total weight of hazardous waste	Metric tons	2,061.24	95.94	648.80
	Total weight of hazardous waste that has been recovered	Metric tons	0	0	n.d.
	Total weight of non-hazardous waste	Metric tons	4,083.50	1,039.80	5,499.595
	Total weight of non-hazardous waste that has been recovered	Metric tons	0	0	n.d.
306-4	Total weight of diverted from disposal	Metric tons	3,309.49	n.d.	n.d.
	Total weight of hazardous waste diverted from disposal	Metric tons	26.70	n.d.	n.d.
	Total weight of hazardous waste diverted from disposal and prepared for reuse	Metric tons	15.69	n.d.	n.d.
	Total weight of hazardous waste diverted from disposal and prepared for recycling	Metric tons	11.01	n.d.	n.d.
	Total weight of hazardous waste diverted from disposal and prepared for other recovery operations	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste diverted from disposal	Metric tons	3,282.79	n.d.	n.d.
	Total weight of non-hazardous waste diverted from disposal and prepared for reuse	Metric tons	0.386	n.d.	n.d.
	Total weight of non-hazardous waste diverted from disposal and prepared for recycling	Metric tons	3,282.41	n.d.	n.d.
	Total weight of non-hazardous waste diverted from disposal and prepared for other recovery operations	Metric tons	0	n.d.	n.d.
	Total weight of hazardous waste diverted from disposal and prepared for reuse on-site	Metric tons	0	n.d.	n.d.
	Total weight of hazardous waste diverted from disposal and prepared for reuse off-site	Metric tons	15.69	n.d.	n.d.
	Total weight of hazardous waste diverted from disposal and prepared for recycling on-site	Metric tons	0	n.d.	n.d.
	Total weight of hazardous waste diverted from disposal and prepared for recycling off-site	Metric tons	11.01	n.d.	n.d.
	Total weight of hazardous waste diverted from disposal and prepared for other recovery operations	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste diverted from disposal and prepared for reuse off-site	Metric tons	0.386	n.d.	n.d.
	Total weight of non-hazardous waste diverted from disposal and prepared for reuse on-site	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste diverted from disposal and prepared for recycling off-site	Metric tons	3,282.41	n.d.	n.d.
	Total weight of non-hazardous waste diverted from disposal and prepared for recycling on-site	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste diverted from disposal and prepared for other recovery operations off-site	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste diverted from disposal and prepared for other recovery operations on-site	Metric tons	0	n.d.	n.d.
	Total weight of waste directed to disposal	Metric tons	2,835.25	n.d.	n.d.
	Total weight of hazardous waste directed to disposal	Metric tons	2,034.54	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for incineration (with energy recovery)	Metric tons	0	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for incineration (without energy recovery)	Metric tons	42.56	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for landfilling	Metric tons	130.31	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for other disposal operations	Metric tons	1,861.66	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal	Metric tons	800.71	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for incineration (with energy recovery)	Metric tons	0	n.d.	n.d.

GRI	Waste (2020)	Unit	2021	2020	2019
306-5	Total weight of non-hazardous waste directed to disposal for incineration (without energy recovery)	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for landfilling	Metric tons	798.89	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for other disposal operations	Metric tons	1.81	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for incineration (with energy recovery) on-site	Metric tons	0	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for incineration (with energy recovery) off-site	Metric tons	0	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for incineration (without energy recovery) on-site	Metric tons	0	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for incineration (without energy recovery) off-site	Metric tons	42.56	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for landfilling on-site	Metric tons	0.0	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for landfilling off-site	Metric tons	130.31	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for other disposal operations on-site	Metric tons	0	n.d.	n.d.
	Total weight of hazardous waste directed to disposal for other disposal operations off-site	Metric tons	1,861.66	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for incineration (with energy recovery) on-site	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for incineration (with energy recovery) off-site	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for incineration (without energy recovery) on-site	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for incineration (without energy recovery) Off-site	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for landfilling on-site	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for landfilling off-site	Metric tons	798.89	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for other disposal operations on-site	Metric tons	0	n.d.	n.d.
	Total weight of non-hazardous waste directed to disposal for other disposal operations off-site	Metric tons	1.81	n.d.	n.d.
Effluents & waste (2016)		Unit	2021	2020	2019
306-2 & OG-5	OG-5 Volume and disposal of formation or produced water	Cubic meters	5,308,771.35	4,200,439	7,261,713
306-2 & OG-7	OG-7 Drilling cuts and muds	# bbls	323,047.96	90,898	200,379
306-3	Significant spills in operations	number	2.00	0	0
	Significant spills in transportations	number	0.0	0	0
	Volume of spills operations	# bbls	4.42	0	0
	Volume of spills transportation	# bbls	0	0	0
Supplier environmental assessment (2016)		Unit	2021	2020	2019
308-1	Percentage of new suppliers that were screened using environmental criteria	Percent	n.d	n.d.	n.d.
308-2	Number of suppliers assessed for environmental impacts	Number	n.d.	n.d.	n.d.
	Number of suppliers identified as having significant actual and potential negative environmentla impacts	Number	n.d.	n.d.	n.d.
	Significant actual and potential negative environmental impacts identified in the supply chain	Narrative	n.d	n.d.	n.d.
	Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	Percent	n.d.	n.d.	n.d.
	Percentage of suppliers identifed as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment and why	Percent	n.d	n.d	n.d

SOCIETY

EMPLOYMENT (2016)

GRI	Information on employees and other workers (2016)	Unit	2021	2020	2019
	Total number of full time employees Colombia + Canada	Number	371	348	339
	Total number of full time female employees Colombia + Canada	Number	124	114	109
	Total number of full time male employees Colombia + Canada	Number	247	234	230
	Total number of full time employees Colombia	Number	309	297	295
	Total number of full time employees Canada	Number	62	51	44
	Total number of full time female employees Colombia	Number	100	93	92
	Total number of full time male employees Colombia	Number	209	204	203
	Total number of full time female employees Canada	Number	24	21	17
	Total number of full time male employees Canada	Number	38	30	27
	Total number of temporary employees Colombia + Canada	Number	8	4	18
	Total number of temporary employees Colombia	Number	3	2	10
	Total number of temporary employees Canada	Number	5	2	8
	Total number of female temporary employees Colombia + Canada	Number	6	4	8
	Total number of male temporary employees Colombia + Canada	Number	2	0	10
	Total number of female temporary employees Colombia	Number	2	2	5
	Total number of male temporary employees Colombia	Number	1	0	5
	Total number of female temporary employees Canada	Number	4	2	3
	Total number of male temporary employee Canada	Number	1	0	5
	Total number of full time employees Bogotá	Number	291	220	220
	Total number of female temporary employees Bogotá	Number	1	1	5
	Total number of male temporary employees Bogotá	Number	1	1	4
	Total number of full time employees Yopal	Number	12	51	54
	Total number of female temporary employees Yopal	Number	0	0	0
	Total number of male temporary employees Yopal	Number	0	0	0

GRI	Information on employees and other workers (2016)	Unit	2021	2020	2019
102-8 & 405-1	Total number of full time employees Barranca	Number	6	17	15
	Total number of female temporary employees Barranca	Number	1	0	0
	Total number of male temporary employees Barranca	Number	0	0	1
	Total number of full time employees Tame	Number	0	9	6
	Total number of female temporary employees Tame	Number	0	0	0
	Total number of male temporary employees Tame	Number	0	0	0
	Total number of temporary employees Bogotá	Number	2	2	9
	Total number of employees under 30 years old Bogotá	Number	1	1	4
	Total number of employees between 31 and 50 years old Bogotá	Number	1	1	4
	Total number of employees over 51 years old Bogotá	Number	0	0	1
	Total number of temporary employees Yopal	Number	0	0	0
	Total number of employees under 30 years old Yopal	Number	0	0	0
	Total number of employees between 31 and 50 years old Yopal	Number	0	0	0
	Total number of employees over 51 years old Yopal	Number	0	0	0
	Total number of temporary employees Barranca	Number	1	0	1
	Total number of employees under 30 years old Barranca	Number	0	0	0
	Total number of employees between 31 and 50 years old Barranca	Number	1	0	1
	Total number of employees over 51 years old Barranca	Number	0	0	0
	Total number of temporary employees Tame	Number	0	0	0
	Total number of employees under 30 years old Tame	Number	0	0	0
	Total number of employees between 31 and 50 years old Tame	Number	0	0	0
	Total number of employees over 51 years old Tame	Number	0	0	0
	Total number employees on permanet contract Colombia + Canada	%	100	100	100
	Total number employees on permanent contract Colombia	%	100	100	100
	Total number employees on permanent contract Canada	%	100	100	100
	Total number of full time employees under 30 years old Colombia + Canada	Number	31	39	53
	Total number of full time employees between 31 and 50 years old Colombia + Canada	Number	286	262	247
	Total number of full time employees over 51 years old Colombia + Canada	Number	54	47	39
	Total number of full time employees under 30 years old Colombia	Number	31	36	51
	Total number of full time employees between 31 and 50 years old Colombia	Number	238	226	216
	Total number of full time employees over 51 years old Colombia	Number	40	35	28
	Total number of full time employees under 30 years old Canada	Number	0	3	2
	Total number of full time employees between 31 and 50 years old Canada	Number	48	36	31
	Total number of full time employees over 51 years old Canada	Number	14	12	11

GRI	New employee hires and employee turnover (2016)	Unit	2021	2020	2019
401-1	Total number of new employees hires Colombia + Canada	Number and %	47 (12.67%)	22 (6.32%)	39 (11.50%)
	Total number of new female employee hires Colombia + Canada	Number and %	17 (4.58%)	8 (2.30%)	13 (3.83%)
	Total number of new male employee hires Colombia + Canada	Number and %	30 (8.09%)	14 (4.02%)	26 (7.67%)
	Total number of new employee hires under 30 years old Colombia + Canada	Number and %	2 (0.54%)	3 (0.86%)	12 (3.54%)
	Total number of new employee hires between 31 y 50 years old Colombia + Canada	Number and %	40 (10.78%)	17 (4.89%)	26 (7.67%)
	Total number of new employee hires over 51 years old Colombia + Canada	Number and %	5 (1.35%)	2 (0.57%)	1 (0.29%)
	Total number of new employee hires Colombia	Number and %	31 (8.36%)	15 (4.31%)	34 (10.03%)
	Total number of new female employee hires Colombia	Number and %	13 (3.50%)	3 (0.86%)	12 (3.54%)
	Total number of new male employee hires Colombia	Number and %	18 (4.85%)	12 (3.45%)	22 (6.49%)
	Total number of new employee hires under 30 years old Colombia	Number and %	2 (0.54%)	2 (0.57%)	12 (3.54%)
	Total number of new employee hires between 31 and 50 years old Colombia	Number and %	27 (7.28%)	12 (3.45%)	21 (6.19%)
	Total number of new employee hires over 51 years old Colombia	Number and %	2 (0.54%)	1 (0.29%)	1 (0.29%)
	Total number and percentage of new employee hires Bogotá	Number and %	29 (7.82%)	12 (3.45%)	29 (9.8%)
	Total number and percentage of new employee hires Yopal	Number and %	1 (0.27%)	3 (0.86%)	2 (0.7%)
	Total number and percentage of new employee hires Barranca	Number and %	1 (0.27%)	0 (0%)	2 (0.7%)
	Total number and percentage of new employee hires Tame	Number and %	0 (0%)	0 (0%)	1 (0.3%)
	Total number of new employee hires Canada	Number and %	16 (4.31%)	7 (2.01%)	5 (1.47%)
	Total number of new male employee hires Canada	Number and %	12 (3.23%)	2 (0.57%)	4 (1.18%)
	Total number of new female employee hires Canada	Number and %	4 (1.08%)	5 (1.44%)	1 (0.29%)
	Total number of new employee hires under 30 years old Canada	Number and %	0 (0%)	1 (0.29%)	0 (0%)
	Total number of new employee hires between 31 and 50 years old Canada	Number and %	13 (3.50%)	5 (1.44%)	5 (1.47)
	Total number of new employee hires over 51 years old Canada	Number and %	3 (0.81%)	1 (0.29%)	0 (0%)
	Total number of employee turnover Colombia	Number and %	19 (5.12%)	12(3.45%)	16 (4.70%)
	Total number of female employee turnover Colombia	Number and %	6 (1.62%)	2(0.57%)	8 (2.55%)
	Total number of male employee turnover Colombia	Number and %	13 (3.50%)	10(2.87%)	8 (2.55%)
	Total number of employee turnover Bogotá	Number and %	17 (4.58%)	10(2.87%)	11 (3.23%)
	Total number of employee turnover Yopal	Number and %	2 (0.54%)	2(0.57%)	4 (1.18%)
	Total number of employee turnover Barranca	Number and %	0 (0%)	0 (0%)	1 (0.29%)
	Total number of employee turnover Tame	Number and %	0 (0%)	0 (0%)	0 (0%)
	Total number of employee turnover under 30 years old Colombia	Number and %	0 (0%)	2(0.57%)	0 (0%)
	Total number of employee turnover between 31 and 50 years old Colombia	Number and %	16 (4.31%)	9(2.59%)	16 (4.70%)
	Total number of employees turnover over 51 years old Colombia	Number and %	3 (0.81%)	1(0.29%)	0 (0%)
	Total number of employee turnover Canada	Number and %	5 (1.35%)	1(0.29%)	n.d.

GRI	New employee hires and employee turnover (2016)	Unit	2021	2020	2019
	Total number of female employee turnover Canada	Number and %	1 (0.27%)	1(0.29%)	n.d.
	Total number of male employee turnover Canada	Number and %	4 (1.08%)	0 (0%)	n.d.
	Total number of employee turnover under 30 years old Canada	Number and %	1(0.27%)	0 (0%)	n.d.
	Total number of employee turnover between 31 and 50 years old Canada	Number and %	2 (0.54%)	1(0.29%)	n.d.
	Total number of employees turnover over 51 years old Colombia	Number and %	2 (0.54%)	0 (0%)	n.d.
	Total number of employee turnover Canada & Colombia	Number and %	24 (6.47%)	13(3.74%)	5.31
	Total number of female employee turnover Canada & Colombia	Number and %	7(1.89%)	3(0.86%)	n.d.
	Total number of male employee turnover Canada & Colombia	Number and %	17 (4.58%)	10(2.87%)	n.d.
	Total number of employee turnover under 30 years old Canada & Colombia	Number and %	1 (0.27%)	2(0.57%)	n.d.
	Total number of employee turnover between 31 and 50 years old Canada & Colombia	Number and %	18(4.85%)	10(2.87%)	n.d.
	Total number of employee turnover over 51 years old Canada & Colombia	Number and %	5 (1.35%)	1(0.29%)	n.d.
	Employee turnover rate Colombia + Canada	%	6.47	3.74	5.31
	Employee turnover rate Colombia	%	6.15	3.45	5.42
	Employee turnover rate Canada	%	8.06	0.29	5
GRI	Employees by employment category Colombia + Canada (2016)	Unit	2021	2020	2019
102-8	Total number of administrative level employees	Number	20	24	27
	Total number of professional level employees	Number	117	108	109
	Total number of junior professional level employees	Number	22	22	22
	Total number of junior technical professional level employees	Number	10	15	21
	Total number of leader level employees	Number	21	16	17
	Total number of management level employees	Number	25	25	23
	Total number of senior management level employees	Number	1	1	1
	Total number of senior professional level employees	Number	40	39	31
	Total number of senior technical professional employees	Number	43	38	28
	Total number of technical professional level employees	Number	59	47	48
	Total number of Vice-president level employees	Number	6	5	4
	Total number of senior vice-president level employees	Number	5	6	6
	Total number CEO &President employees	Number	2	2	2
	Percent of senior executives hired from the local community (Colombia: President & Senior Vicepresident)	Percent	0	0	0
GRI	Parental leave (2016)	Unit	2021	2020	2019
	Total number of employees that were entitled to parental leave Colombia + Canada	Number	9	11	7
	Total number of female employees that were entitled to parental leave Colombia + Canada	Number	3	10	3
	Total number of male employees that were entitled to parental leave Colombia + Canada	Number	6	9	7
	Total number of employees that took parental leave Canada	Number	2	10	3

GRI	Parental leave (2016)	Unit	2021	2020	2019
401-3	Total number of female employees that took parental leave Canada	Number	2	10	3
	Total number of male employees that took parental leave Canada	Number	0	9	7
	Total number of employees that took parental leave Colombia	Number	7	11	7
	Total number of female employees that took parental leave Colombia	Number	1	n.d.	n.d.
	Total number of male employees that took parental leave Colombia	Number	6	n.d.	n.d.
	Total number of employees that returned to work in the reporting period after parental leave ended	Number	9	n.d.	n.d.
	Total number of female employees that returned to work in the reporting period after parental leave ended	Number	3	9	7
	Total number of male employees that returned to work in the reporting period after parental leave ended	Number	6	10	3
	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their rreturn to work	Number	9	n.d.	n.d.
	Total number of female employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Number	3	9	7
	Total number of male employees that returned to work after parental leave ended that were still employed 12 months after their rreturn to work	Number	6	10	3
	Return to work rate of employees that took parental leave	%	100	n.d.	n.d.
	Return to work rate of female employees that took parental leave	%	100	n.d.	n.d.
	Return to work rate of male employees that took parental leave	%	100	n.d.	n.d.
	Retention rate of employees that took parental leave	%	100	n.d.	n.d.
	Retention rate of female employees that took parental leave	%	100	n.d.	n.d.
	Retention rate of male employees that took parental leave	%	100	n.d.	n.d.
GRI	Training and Education (2016)	Unit	2021	2020	2019
404-1	Total hours of training (Colombia)	Hours	39,853	25,685	27,730
	Total hours of training for female workers (Colombia)	Hours	21,895	8,993	9,377
	Total hours of training for male workers (Colombia)	Hours	17,958	16,692	18,753
	Total hours of training (Canada)	Hours	6,246	8,933	9,377
	Total hours of training for female workers (Canada)	Hours	2,418	n.d.	n.d.
	Total hours of training for male workers (Canada)	Hours	3,828	n.d.	n.d.
	Average number of hours of training for all employees (Colombia)	Average hours	129	86,48	94
	Average hours of training for females employees (Colombia)	Average hours	217	97,75	102
	Average hours of training for males employees (Colombia)	Average hours	86	82,23	90
	Average number of hours of training for all employees (Canada)	Average hours	101	n.d.	n.d.
	Average hours of training for females employees (Canada)	Average hours	101	n.d.	n.d.
	Average hours of training for males employees (Canada)	Average hours	101	n.d.	n.d.
	Average number of hours of training for administrative level employees	Average hours	555	n.d.	n.d.
	Average number of hours of training for professional level employees	Average hours	701	n.d.	n.d.
	Average number of hours of training for junior professional level employees	Average hours	265	n.d.	n.d.

GRI	Training and Education (2016)	Unit	2021	2020	2019
	Average number of hours of training for junior technical professional level employees	Average hours	48	n.d.	n.d.
	Average number of hours of training for leader level employees	Average hours	442	n.d.	n.d.
	Average number of hours of training for management level employees	Average hours	799	n.d.	n.d.
	Average number of hours of training for senior management level employees	Average hours	101	n.d.	n.d.
	Average number of hours of training for senior professional level employees	Number	1,288	n.d.	n.d.
	Average number of hours of training for senior technical professional employees	Number	2,031	n.d.	n.d.
	Average number of hours of training for technical professional level employees	Number	468	n.d.	n.d.
	Average number of hours of training for Vice-president level employees	Number	221	n.d.	n.d.
	Average number of hours of training for senior vice-president level employees	Number	504	n.d.	n.d.
	Average number of hours of training for CEO &President employees	Number	157	n.d.	n.d.
GRI	Employees receiving regular performance and career development reviews (2016)	Unit	2021	2020	2019
404-3	Percentage of total employees who received a regular performance and career development review	%	100	100	100
	Percentage of female employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of male employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of administrative level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of professional level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of junior professional level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of junior technical professional level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of leader level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of management level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of senior management level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of senior professional level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of senior technical professional employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of technical professional level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of Vice-president level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage of senior vice-president level employees who received a regular performance and career development review	%	100	n.d.	n.d.
	Percentage CEO &President employees who received a regular performance and career development review	%	100	n.d.	n.d.
GRI	Diversity and Equal Opportunity (2016)	Unit	2021	2020	2019
	Number of women within the organizations' governance bodies	Number	2	2	2
	Percentage of women within the organizations' governance bodies	%	22	22	20
	Number of men within the organizations' governance bodies	Number	7	7	8
	Percentage of men within the organizations' governance bodies	%	78	78	80
	Percentage of individuals in the governance bodies between 55-60 years old	%	0	n.d.	n.d.
	Percentage of individuals in the governance bodies between 56-60 years old	%	11	n.d.	n.d.
	Percentage of individuals in the governance bodies between 61-65 years old	%	56	n.d.	n.d.

GRI	Diversity and Equal Opportunity (2016)	Unit	2021	2020	2019
405-1	Percentage of individuals in the governance bodies > 66 years old	%	33	n.d.	n.d.
	Percentage of female employees (Colombia + Canada)	%	33.42%	n.d.	n.d.
	Percentage of male employees (Colombia + Canada)	%	66.58%	n.d.	n.d.
	Percentage of female employees under 30 years old Colombia + Canada	%	8.36%	n.d.	n.d.
	Percentage of female employees between 31 and 50 years old Colombia + Canada	%	25.30%	n.d.	n.d.
	Percentage of female employees over 51 years old Colombia + Canada	%	2.40%	n.d.	n.d.
	Percentage of male employees under 30 years old Colombia	%	8.36%	n.d.	n.d.
	Percentage of male employees under 30 years old Colombia + Canada	%	3%	n.d.	n.d.
	Percentage of male employees between 31 and 50 years old Colombia + Canada	%	51.80%	n.d.	n.d.
	Number of indigenous or other minority group employees where relevant	Number	n.d.	n.d.	n.d.
GRI	Ratio of basic salary and remuneration of women to men	Unit	2021	2020	2019
405-2	Ratio of basic salary and remuneration of women to men for administrative level employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women to men for professional level employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women to men for junior professional level employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women for junior technical professional level employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women to men for leader level employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women to men for management level employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women to men for senior professional level employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women to men for senior technical professional employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women to men for technical professional level employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women to men for Vice-president level employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women to men for senior vice-president level employees	%	n.d.	n.d.	n.d.
	Ratio of basic salary and remuneration of women to men for CEO &President employees	%	n.d.	n.d.	n.d.

OCCUPATIONAL HEALTH & SAFETY

GRI	Promotion or worker health (2018)	Unit	2021	2020	2019
403-8	Number of all employees and contrators covered by an occupational health and safety management system	Number	n.d.	n.d.	n.d.
	Number of employees covered by an occupational health and safety management system	Number	300	296	n.d.
	Number of contractors covered by an occupational health and safety management system	Number	185	181	n.d.
	Percentage of employees covered by an occupational health and safety management system	%	100	100	100
	Percentage of contractors covered by an occupational health and safety management system	%	100	100	100
	Number of all employees and contrators covered by an occupational health and safety management system that has been internally audited	Number	n.d.	n.d.	n.d.
	Number of all employees and contrators covered by an occupational health and safety management system that has been internally audited	Number	300	n.d.	n.d.

GRI	Promotion or worker heath (2018)	Unit	2021	2020	2019
	Number of contractors covered by an occupational health and safety management system that has been internally audited	Number	151	65	n.d.
	Percentage of employees and contractors covered by an occupational health and safety management system that has been internally audited	%	n.d.	n.d.	n.d.
	Percentage of employees covered by an occupational health and safety management system that has been internally audited	%	100	n.d.	n.d.
	Percentage of contractors covered by an occupational health and safety management system that has been internally audited	%	30.26	n.d.	n.d.
GRI	Work-related injuries (2018)	Unit	2021	2020	2019
403-9	The number of fatalities as a result of work-related injury for all employees	Number	0	0	0
	Rate of fatalities as a result of work-related injury for all employees (200,000 hours worked)	Rate	0	0	0
	The number of high-consequence work-related injuries (excluding fatalities) for all employees	Number	0	0	n.d.
	Rate of high-consequence work-related injuries (excluding fatalities) for all employees (200,000 hours worked)	Rate	0	0	0
	The number of recordable work-related injuries for all employees	Number	1	0	n.d.
	Rate of recordable work-related injuries for direct employees (200,000 hours worked)	Rate	0.30	0	0
	Rate of recordable work-related injuries for contractors (200,000 hours worked)	Rate	0.18	0.21	n.d
	Rate of recordable work-related injuries for all employees (200,000 hours worked)	Rate	0.19	0.18	0.22
	The number of hours worked for all employees (Direct + Contractor)	Number	663,399	649,188	n.d.
	The number of fatalities as a result of work-related injury for all contractors	Number	0	0	0
	Rate of fatalities as a result of work-related injury for all contractors (200,000 hours worked)	Rate	0	0	0
	The number of high-consequence work-related injuries (excluding fatalities) for contractors	Number	0	0	0
	Rate of high-consequence work-related injuries (excluding fatalities) for contractors (200,000 hours worked)	Rate	0	0	0
	The number of recordable work-related injuries for contractors	Number	5	4	n.d.
	The number of hours worked for contractors	Number	5,525,543	3,873,564	n.d.
	Explanation of whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.	Number	200,000	200,000	n.a.
	Rate of incidents with lost Time Employees (LTIF)* (200.000 hours worked)	Rate	0	0	n.d.
	Rate of incidents with lost Time Contractors (LTIF)* (200.000 hours worked)	Rate	0.04	0.05	0.06
	Rate of incidents with lost Time total (LTIF)* (200.000 hours worked)	Rate	0.03	0.04	0.27
	Near miss Rate (NMFR) Employees (200.000 hours worked)	Rate	5.41	1.80	n.d.
	Near miss Rate (NMFR) Contractors (200.000 hours worked)	Rate	5.61	1.24	n.d.
	Near miss Rate (NMFR) total (200.000 hours worked)	Rate	5.59	1.32	n.d.
	Road accident frequency (MVA)* (1,000,000 kms.)	Rate	0.26	0.3	0.13
GRI	Work-related ill-health (2018)	Unit	2021	2020	2019
403-10	The number of fatalities as a result of work-related ill-health for all employees	Number	0	0	n.d.
	The number of cases of recordaable work-related ill-health for all employees	Number	0	0	n.d.
	The main types of work-related ill health for all employees	Narrative	0	0	n.d.
	The number of fatalities as a result of work-related ill-health for contractors	Number	0	0	n.d.
	The number of cases of recordable work-related ill-health for contractors	Number	0	0	n.d.
GRI	Customer Health and Safety (2016)	Unit	2021	2020	2019

416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	%	n.d.	n.d.	n.d.
	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period	Number	n.d.	n.d.	n.d.

PROCUREMENT

GRI	SUPPLY CHAIN (2016)	Unit	2021	2020	2019
102-9	Number of contractors in the supply chain	Number	538	530	542
	Number of national companies in the supply chain	Number	339	347	364
	Number of regional companies in the supply chain	Number	156	144	144
	Number of international companies or subsidiaries in Colombia	Number	43	39	34
GRI	LOCAL PURCHASES (2016)	Unit	2021	2020	2019
203-1	Total procurement of goods and services	M USD	309.95	244.68	318.06
	Total spend on local suppliers	M USD	41.51	36.06	36.04
	Total procurement of local goods and services for civil works	M USD	12.41	5.51	7.63
	Total procurement of local goods and services for engineering and workover	M USD	0.54	0.63	0.47
	Total procurement of local goods and services for maintenance	M USD	1.47	0.97	0.67
	Total procurement of local goods and services for dry load transportation	M USD	4.08	3.80	3.48
	Total procurement of local goods and services for environment, health and safety	M USD	0.77	1.70	2.11
	Total procurement of local goods and services for passenger transport	M USD	1.59	1.29	1.63
	Total procurement of local goods and services for the transport of crude oil	M USD	12.89	15.30	11.75
	Total procurement of local goods and services for water and waste management and disposal	M USD	3.28	2.01	1.73
	Total procurement of local goods and services for facilities	M USD	3.11	3.82	5.69
	Total procurement of other local goods and services	M USD	1.37	1.03	0.88
GRI	Procurement practices (2016)	Unit	2021	2020	2019
204-1	Proportion of spending on local suppliers (% of procurement budget)	%	n.d.	n.d.	n.d.
GRI	Local Communities (2016)	Unit	2021	2020	2019
	Percentage of operations with implemented local community engagement, impact assessments, and/or development programs	Percent	n.d.	n.d.	n.d.
	Total petitions, complaints and claims	number	579	443	494
	Total petitions (various issues)	number	180	183	234
	Labor related petitions	number	85	61	33
	Right to petition	number	0	8	18
	Petitions from ethnic communities (indigenous)	number	5	n.d.	n.d.
	Petitions from ethnic communities (african descent)	number	0	n.d.	n.d.
	Petitions from ethnic communities (ROM-Gypsies)	number	0	n.d.	n.d.

GRI	Local Communities (2016)	Unit	2021	2020	2019
413-1	Petitions from ethnic communities (Raizal))	number	0	n.d.	n.d.
	Total petitions	number	270	252	285
	Environment related claims	number	40	18	13
	Contractor related claims	number	151	96	126
	Land owners related claims	number	56	35	56
	Road maintenance related claims	number	33	19	8
	Particulate matter related claims	number	4	5	6
	Goods and services related claims	number	23	15	n.d
	Salaries and benefits related claims	number	1	3	n.d
	Claims from ethnic communities (indigenous)	number	1	n.d.	n.d.
	Claims from ethnic communities (african descent)	number	0	n.d.	n.d.
	Claims from ethnic communities (ROM-Gypsies)	number	0	n.d.	n.d.
	Claims from ethnic communities (Raizal))	number	0	n.d.	n.d.
	Total complaints and claims	number	309	191	209
	Total petitions, complaints & claims finalized and filed	number	571	443	483
	Compaints pending closure	number	8	2	11
GRI	Local employment (2016)	Unit	2021	2020	2019
203-2	Total local employment generated	Number	4,235	3,298	3,615
	Total local employment generated female	Number	1,288	779	868
	Total local employment generated male	Number	2,947	2,519	2,747
	Total skilled labor	Number	352	647	373
	Total unskilled labor	Number	3,883	2,651	3,242

HUMAN RIGHTS

GRI	Security Practices (2016)	Unit	2021	2020	2019
410-1	Percentage of security personnel who have received formal training in the organization’s human rights policies or specific procedures and their application to security.	Percent	100	91	100
GRI	Rights of Indigenous Peoples (2016)	Unit	2021	2020	2019
411-1	Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.	Number	0	n.d.	n.d.
412-2	Employee training on human rights policies or procedures - Colombia	Hours	309	292	116
	Employee training on human rights policies or procedures - Colombia	Percent	100	98	98
	Employee training on human rights policies or procedures	Hours	155.5	292	116

Advisory on Forward Looking Statements

Certain information regarding Parex set forth in this document contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words “plan”, “expect”, “prospective”, “project”, “intend”, “believe”, “should”, “anticipate”, “estimate”, “forecast”, “guidance”, “budget”, “goal” or other similar words, or statements that certain events or conditions “may” or “will” occur are intended to identify forward-looking statements. Such statements represent Parex’ internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, production, future capital and other expenditures, environmental matters, business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although the Company’s management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political, environmental and social uncertainties and contingencies. Many factors could cause Parex’ actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Parex.

In particular, forward-looking statements contained in this document include, but are not limited to, statements with respect to the Company’s focus, plans, priorities and strategies, and the benefits to be derived therefrom; the Company’s evolving strategies; the Company’s beliefs in respect of a corporate governance framework; corporate governance goals and initiatives for 2022; implementation of initiatives and the benefits to be derived therefrom; the Company’s short-, medium- and long-term climate related targets and the timing to achieve such targets; the next steps in Parex’ climate management journey; Parex’ ERM strategy and process, its purposes and 2022 goals and initiatives; 2022 goals and initiatives for economic performance; the Company’s ability to generate free funds flow; environmental and climate related goals and initiatives for 2022; plans for managing climate-related risks; the La Belleza being a key component to grow the Company’s gas portfolio in Colombia in the future; timing for the solar farm to become operational; social investment and community 2022 goals and initiatives; continuing to invest in Early Career Programs in Colombia and establishing similar program in Parex’ corporate office in Calgary; timing to implement to new Career Framework & Compensation Structure; workplace health and safety 2022 goals and initiatives; and the likelihood and impact of climate-related risks increasing over time.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions in Canada and Colombia; industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced, in Canada and Colombia; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; risks related to obtaining required approvals of regulatory authorities, in Canada and Colombia and partner and community approvals in Colombia; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; environmental risks; changes in income tax laws, tax rates and/or incentive programs relating to the oil industry; ability to access sufficient capital from internal and external sources; failure of counterparties to perform under the terms of their contracts; that Parex will be unable to meet its GHG emissions intensity reduction targets or lower its carbon footprint; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Parex’ operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Although the forward-looking statements contained in this document are based upon assumptions which Management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, Parex has made assumptions regarding, among other things: current and anticipated commodity prices; availability of skilled labour; timing and amount of capital expenditures; conditions in general economic and financial markets; effects of regulation by governmental agencies; future operating costs; uninterrupted access to areas of Parex’ operations and infrastructure; that Parex will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that Parex’ conduct and results of operations will be consistent with its expectations; that Parex will have the ability to develop its oil and gas properties in the manner currently contemplated; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the GHG reduction estimates of Parex’ and the assumptions related thereto are accurate in all material respects; ability to achieve GHG reductions; and other matters.

GHG Emissions Information

GHG emissions and emissions savings estimates that are provided herein have been calculated with a third party’s assistance, as is further described below. These measures do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Parex quantifies and reports its GHG emissions using the operational control approach; but uses equity control approach when reporting scope 1 GHG emissions under the SASB Standards. Its organizational boundary includes the Company’s offices in Bogota, Yopal, Tame, Tauramena, Barrancabermeja, Saravena and Calgary and all operated oil and gas exploration and productions facilities. Parex has elected to report Scope 1, 2 and 3 GHG emissions.

For the purposes of the Company’s GHG emissions reporting:

- Scope 1 emissions are defined as direct emissions from GHG sources that it owns or controls.
- Scope 2 emissions are defined as indirect GHG emissions that result from Parex’ consumption of energy in the form of purchased electricity from the Colombian national grid and Alberta Interconnected Electric System; and
- Scope 3 emissions are defined as Parex’ indirect emissions other than those covered in Scope 2. They are from sources not owned or controlled by Parex, but which occur because of the Company’s activities. Particularly, Parex’ drilling and completions activities conducted by third parties are deemed to be Scope 3.

Parex used a third party to help quantify its GHG emissions. For the 2021 reporting year, Parex retained Conservación & Carbono S.A.S to evaluate GHG emissions from all operated facilities located in Colombia in accordance with IPCC (2006) Guidelines for National Greenhouse Gas Inventories and Colombia’s Technical Standard ISO 14064-1. Verification of Scope 1, 2 & 3 GHG emissions was conducted by PricewaterhouseCoopers in Colombia in accordance with International Standard on Assurance Engagement 3410, Assurance on Greenhouse Gas Statements issued by the International Auditing and Assurance Standards Board.

Calculation of GHG Emissions by Source

The uncertainty of the total GHG inventory for 2021 has been estimated at 1.2%. The calculation by emission source was completed in accordance with IPCC guides (2006) . For Scope 1 emissions, we used direct emission sources associated with the burning of fuels (diesel, gas, crude, COESGEN, LPG) as a reference, as well as flaring and fugitive and venting emissions. The gases estimates include CO2, CH4, N2O, and HFCs.

Scope 2 GHG emissions are calculated based on energy consumption from the national power grid in the Kona, Capachos, and Aguas Blancas blocks, plus energy consumption in the offices located in Bogota, Yopal, Tame, Tauramena, Barrancabermeja, Saravena, and Calgary (Canada). During 2021 energy consumption from power grid increased at offices but also at Aguas Blancas field

Scope 3 GHG emissions include data associated with transportation and employee travel, stationery, refrigeration, air conditioning, and waste treatment. In 2020, we added the use and processing of products sold to the Scope 3 GHG inventory . Esta sección pasa al final del documento, ADVISORY.

Oil & Gas Matters Advisory

“Boes” may be misleading, particularly if used in isolation. A Boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Reserve Advisory

Certain reserves information contained in this sustainability report is based upon an evaluation (the “GLJ Report”) prepared by GLJ Ltd. (“GLJ”) dated February 3, 2022 and effective December 31, 2021 and an evaluation prepared by GLJ dated February 4, 2021 and effective December 31, 2020. Each report was prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and the reserves definitions contained in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities. All December 31, 2021 reserves presented are based on GLJ’s forecast pricing effective January 1, 2022 and all December 31, 2020 reserves presented are based on GLJ’s forecast pricing effective January 1, 2021.

Non-GAAP and Other Financial Measures Advisory

This MD&A uses a “capital management measure” (as such term is defined in NI 52-112), which is described in further detail below. Such measure is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Investors are cautioned that non-GAAP financial measures should not be construed as alternatives to or more meaningful than the most directly comparable GAAP measures as indicators of Parex’ performance.

These measures facilitate management’s comparisons to the Company’s historical operating results in assessing its results and strategic and operational decision-making and may be used by financial analysts and others in the oil and natural gas industry to evaluate the Company’s performance. Further, management believes that such financial measures are useful supplemental information to analyze operating performance and provide an indication of the results generated by the Company’s principal business activities.

Set forth below is a description of the capital management measures used in this document.

Capital Management Measures

Funds flow provided by operations, is a capital management measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital. A reconciliation from cash provided by operating activities to funds flow provided by operations is as follows:

	For the year ended		
	December 31		
(\$000s)	2021	2020	2019
Cash provided by operating activities	534,301	290,018	365,067
Net change in non-cash working capital	432,44	7,023	205,413
Funds flow provided by operations	577,545	297,041	57,048

Third-Party Information

Certain market, independent third party and industry data contained in this report is based upon information from government or other independent industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but none of Parex or its affiliates have conducted their own independent verification of such information. While Parex believes this data to be reliable, such data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

EXTERNAL ASSURANCE

Parex Resources Colombia Ltd. Sucursal

Limited assurance report of the Independent External Auditor regarding the compliance of the social, economic and environmental information included in its Sustainability Report in its English version for the period covered from January 1, 2021 to December 31, 2021

August 2022



Limited assurance report of the Independent External Auditor regarding the compliance of the social, economic and environmental information included in its Sustainability Report for the period covered from January 1, 2021 to December 31, 2021

To the Board of Directors and Management of Parex Resources Inc. and its Subsidiaries
August 18, 2022

We have undertaken to perform an independent reasonable assurance report regarding the compliance by Parex Resources Colombia Ltd. Sucursal, (hereinafter "Parex" or the "Company") of the obligations detailed in the social, economic and environmental information included in its Sustainability Report, for the period from January 1, 2021 to December 31, 2021.

Evaluation criteria

The defined evaluation criteria are presented in Annex I (Limited assurance criteria regarding the compliance by Parex Resources Colombia Ltd. Sucursal of the obligations established in the 2021 Sustainability Report and the results obtained), attached to this report.

Parex Management's responsibility regarding the 2021 Sustainability Report

Parex Management is responsible for carrying out the activities necessary to comply with the obligations stipulated in the 2021 Sustainability Report, in accordance with the defined reporting criteria, which are presented in Annex I of this report. This responsibility includes the design, implementation and maintenance of the relevant internal control for the preparation, presentation and disposal of the information related to compliance with the obligations detailed in Annex I (Limited assurance criteria regarding the compliance by Parex Resources Colombia Ltd. Sucursal of the obligations established in the 2021 Sustainability Report and the results obtained), attached to this report, and the application of a basis for preparing the required information in a manner that is free from material misstatement due to fraud or error.¹

Our independence and quality control

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

¹ The maintenance and integrity of the Parex Resources Inc. website (www.parexresources.com/en/), repository of the pdf version of the GHG statement, is the responsibility of the Company's Administration. The work carried out by PwC does not involve the consideration of these matters and, accordingly, PwC accepts no responsibility for any differences between the information presented on the website and in the 2020 GHG statement issued by the Company on which said assurance was made and the conclusion was issued.

PwC



To the Board of Directors and Management of Parex Resources Inc. and its Subsidiaries

The Firm applies International Standard for Quality Control No. 1 (ISQC 1), and, accordingly, maintains a comprehensive system of quality control that includes documented policies and procedures on compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PwC’s Responsibility

Our responsibility is to express a conclusion on the Company’s compliance with the obligations established in the Sustainability Report 2021, in accordance with the evaluation criteria, based on the work we have performed.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements, other than Audits or Reviews of Historical Financial Information No. 3000 Revised (ISAE) issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain limited assurance about whether the Company complies with the subject matter of the assurance in all material respects and in accordance with the evaluation criteria.

A reasonable assurance engagement involves performing assessment procedures to obtain sufficient and appropriate evidence to determine whether, in the period under review, Parex complied with the obligations set forth in the Sustainability Report 2021, in accordance with the assessment criteria set forth in Annex I (Limited assurance criteria regarding the compliance by Parex Resources Colombia Ltd. Sucursal of the obligations established in the 2021 Sustainability Report and the results obtained), attached to this report, assess the risks of material misstatement of the subject matter of assurance due to fraud or error and respond to the assessed risks depending on whether it is necessary in the circumstances. The procedures selected depend on the professional judgment of the independent auditors, within the framework established in the International Standard on Assurance Engagements, other than audits or reviews of historical financial information No. 3000 Revised (ISAE), issued by the International Auditing and Assurance Standards Board (IAASB), including the assessment of risks of material misstatement of engagements, according to the evaluation criteria. The scope of limited assurance work is substantially less than that of reasonable assurance work in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Within the scope of our work, we have developed the assurance procedures detailed in Appendix II (Main assurance procedures performed), attached to this report.

Procedures performed within a limited assurance engagement vary in nature and timing, and are less in extent, than those performed for a reasonable assurance engagement. Consequently, the level of assurance obtained in the limited assurance engagement is substantially less than the assurance that would have been obtained if we had performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion as to whether Parex’s social, economic and environmental information included in its 2021 Sustainability Report has been prepared, in all material respects, in accordance with the criteria detailed in Annex I.

We consider that the evidence we have obtained as a result of the procedures developed is sufficient and appropriate to provide a basis for our conclusion expressed below.

PwC



To the Board of Directors and Management of Parex Resources Inc. and its Subsidiaries

Inherent limitations

Non-financial data may be subject to more inherent limitations than financial information due to both its nature and the methods used to determine, calculate and estimate such information. Qualitative interpretations of relevance, materiality and accuracy of data are subject to individual assumptions and judgments.

Limited Assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that would cause us to believe that the Parex Sustainability Report for the period covered from January 1, 2021 to December 31, 2021, in terms of the information that addresses the assurance criteria described in Appendix I attached to this report, is not prepared, in all material respects, in accordance with those criteria.

Restrictions on use and distribution

This assurance report was prepared for the sole purpose of Parex reporting compliance with the obligations set forth in the Sustainability Report for the period covered from January 1, 2021 through December 31, 2021 and is not to be used for any other purpose.

Our report has been prepared solely for presentation by the Management of Parex Resources Colombia Ltd. Sucursal to the Board of Directors and Management of Parex Resources Inc. and its Subsidiaries for the purposes described above and should not be distributed or used by other parties. Notwithstanding the foregoing, when the Company requires the presentation of the same to a third party other than the aforementioned, or its publication in any media, the Company must inform PwC Asesores Gerenciales S.A.S., prior to the presentation or publication in order to obtain the pertinent authorizations.

Other issues

The scope of our engagement did not include the review of comparative information or prior periods; therefore, we do not express or make reference to the fulfillment of commitments by the Company in prior periods or for criteria that no longer present contractual obligation on the part of Parex for the period covered from January 1, 2021 to December 31, 2021.

(Original signed in Spanish by)

Diego Henao González
Accountant
Professional License No. 20732-T
August 18, 2022

PwC

For full disclosure of
PriceWaterhouseCoopers
limited Assurance letter
[click here](#)