

PAREX
2019
SUSTAINABILITY REPORT

PAREX 2019
SUSTAINABILITY REPORT





10 YEARS
IN COLOMBIA

CAPACHOS FIELD
ARAUCA - COLOMBIA

LETTER BY LEE DISTEFANO



LEE DISTEFANO

President of Parex Colombia Ltd. Branch

GRI 102-14

During the first ten years of existence and presence in Colombia, Parex has faced significant challenges that have led the Company to understand the dynamics of the social, economic and cultural environment, and to adapt to the changes or conditions, always maintaining its creativity, optimism and, above all, its trust in the country and the talent of its workers.

That ability to adapt as a team, the stability achieved through a prudent management of corporate finance, the persistence of our human resource and the strong bonds of trust that we have built with our stakeholders, are what encourage us to carry on with our operations in a safe and responsible manner, and generating shared benefits with the regions and the country.

In Parex' sixth sustainability report, I would like to highlight the main achievements of the Company in 2019,

since all of them are the basis for continuation in 2020. Our goal has and continues to be to contribute to the country's energy self-sufficiency, its economic prosperity, and the improvement of the quality of life in the communities surrounding our operations. We want to continue to be an ally for the progress of the territories and their people.

In terms of operations, in 2019 we increased the average production of oil and natural gas, with a variation of 18.64% against 2018. We maintained significant exploration activity with 43 gross wells drilled and a total success rate of 97%. Additionally, with the expansion of our inventory areas, we now have new partners, we increased the presence of Parex in the department of Casanare, and for the first time we will have presence in the Upper Magdalena Basin.

Thanks to the sustained growth that we have achieved over the past years in the Capachos block (Arauca), we were able to expand the borders of our activity and enter the natural gas market and Liquefied Petroleum Gas (LPG). In 2019, we opened a gas processing plant; with it, not only do we ensure self-generation of the power required in our fields, thereby reducing our carbon footprint, but we can also sell dry gas which contributes to meeting the local demand of electricity, and improving the reliability of the service in the municipality of Tame, in the department of Arauca.

In addition, the plant is producing LPG, a clean fuel for household use and vehicles. Several families, especially from the rural area of Arauca, have been able to replace wood with LPG to cook their food, generating an important benefit for the health and the environment.

I would like to point out the great impact that Parex has on the communities; as a result of joining forces with strategic allies in the territories. In 2019, Parex' social investments were over COP \$15 billion pesos (USD \$4.6 million), which were reflected in the access to clean water for thousands of children, the improvement of homes, the execution of several productive projects, infrastructure works, health programs, and support to local institutions, among others.

We are still reaching the communities with the "Water for All" voluntary program, providing access to quality water. Through this initiative, we build trust and show the positive impact of our projects on the territories. Since its inception, we have benefitted 8,568 people.

We executed, for the second year in a row, an education infrastructure project (supplies and furniture) through the mechanism of the Colombian government, "Projects for taxes", in the department of Arauca, for an amount of nearly COP \$5.8 billion (USD \$1.8 million). Around 16 thousand students and 51 schools were benefitted. We know that with this type of investments, we are strengthening one of the essential fronts for the development of municipalities affected by the conflict in Colombia, which makes us very proud.

We do not back down in our commitment to protect the environment; in that sense, we continue, among other things, with our plan to invest in greenhouse gas (GHG) emissions reduction initiatives such as building gas processing plants; this way, we decrease gas flaring or venting, and we generate our own power.

In order to develop projects with impacts, to monitor our activity and offer our stakeholders reliable information, the Company follows different international standards and reports its sustainability management in accordance with the Global Reporting Initiative (GRI), and reports to the Carbon Disclosure Project (CDP). New this year is the inclusion of some Sustainability Accounting Standards Board ("SASB") metrics for issues identified as most relevant for Oil & Gas Exploration and Production companies. The goal is to show the importance of this aspect in Parex' management and the interest of its senior executives to continuously improve.

The Health and Safety of our workers remains a priority, as shown in the improvement of our indicators year over year. Likewise, we have strengthened Parex in terms of Human Rights by improving our governance mechanisms, as well as strengthening the knowledge and skill development of our employees.

Furthermore, in 2019 we had a very favorable impact on the generation of employment in the areas of operation and in the procurement of local goods and services due to the expansion of our activities; our motivation stems from driving the economic development of the regions.

Finally, I would like to thank everyone who has supported Parex for the last ten years; our human talent, who are broadly recognized in the industry for their commitment and professionalism; the national, territorial and local authorities for their leadership and for giving us the chance to join forces to improve the life quality of the most vulnerable people; and our contractors and suppliers, who assist us every day in the fulfillment of the corporate objectives and work with determination to accomplish the highest standards. We will continue to grow hand in hand with all of you, showing that oil is a synonym of progress and wellbeing.

Lee DiStefano

PRESIDENT PAREX RESOURCES
COLOMBIA LTD. BRANCH

CORPORATE PROFILE



RUMBA FIELD
CASANARE - COLOMBIA

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

Parex Resources Inc., hereinafter referred to as Parex, is a publicly traded company that focuses on oil exploration, development and production. Its corporate headquarters are located in Calgary Alberta, (Canada) and its operational offices are in the city of Bogota, Colombia, where the Company carries out 100% of its projects. Parex holds interest in 22 blocks with a total area of 2.4 million gross acres located in the departments of Casanare, Arauca, and in the Upper, Middle and Lower Magdalena Valley Basin.

In 2019, the Company celebrated its 10th anniversary in Colombia. Over the last 10 years, Parex has managed to position itself as one of the operators with the greatest leadership, stability and growth potential in the country.

Parex shares are traded on the Toronto Stock Exchange ("TSX") under the symbol "PTX". As of December 31st, 2019, the Company had 143,295,054 basic outstanding shares at a closing price of CAD \$24.15.

Gross revenue (total oil and gas sales) as of December 31st, 2019, was USD \$1,114 million, and funds flow from operations were USD \$570 million (USD \$3.90 per basic share). The average Brent reference sale price for the year was calculated at USD \$54.7/boe.

Capital expenditures in 2019 amounted to USD \$208 million and were financed from funds flow from operations. Parex increased net working capital to USD

\$344 million during the reported year, an amount 36.5% higher than in 2018. The Company exited 2019 with no bank debts and long-term debts.¹

Parex' average oil and natural gas production in 2019 was 52,687 barrels of oil equivalent per day; 98% of which was crude oil. The variation in average production compared to the previous year was an increase of 18.6%.

There were no significant changes in the Company's size, structure, share ownership or supply chain during the year of this report. Pare had 339 direct employees; 295 in Bogota and areas of operation (Colombia) and 44 at offices in Calgary (Canada).

PAREX' AVERAGE OIL AND NATURAL GAS PRODUCTION IN 2019 WAS **52,687** BARRELS OF OIL EQUIVALENT PER DAY.

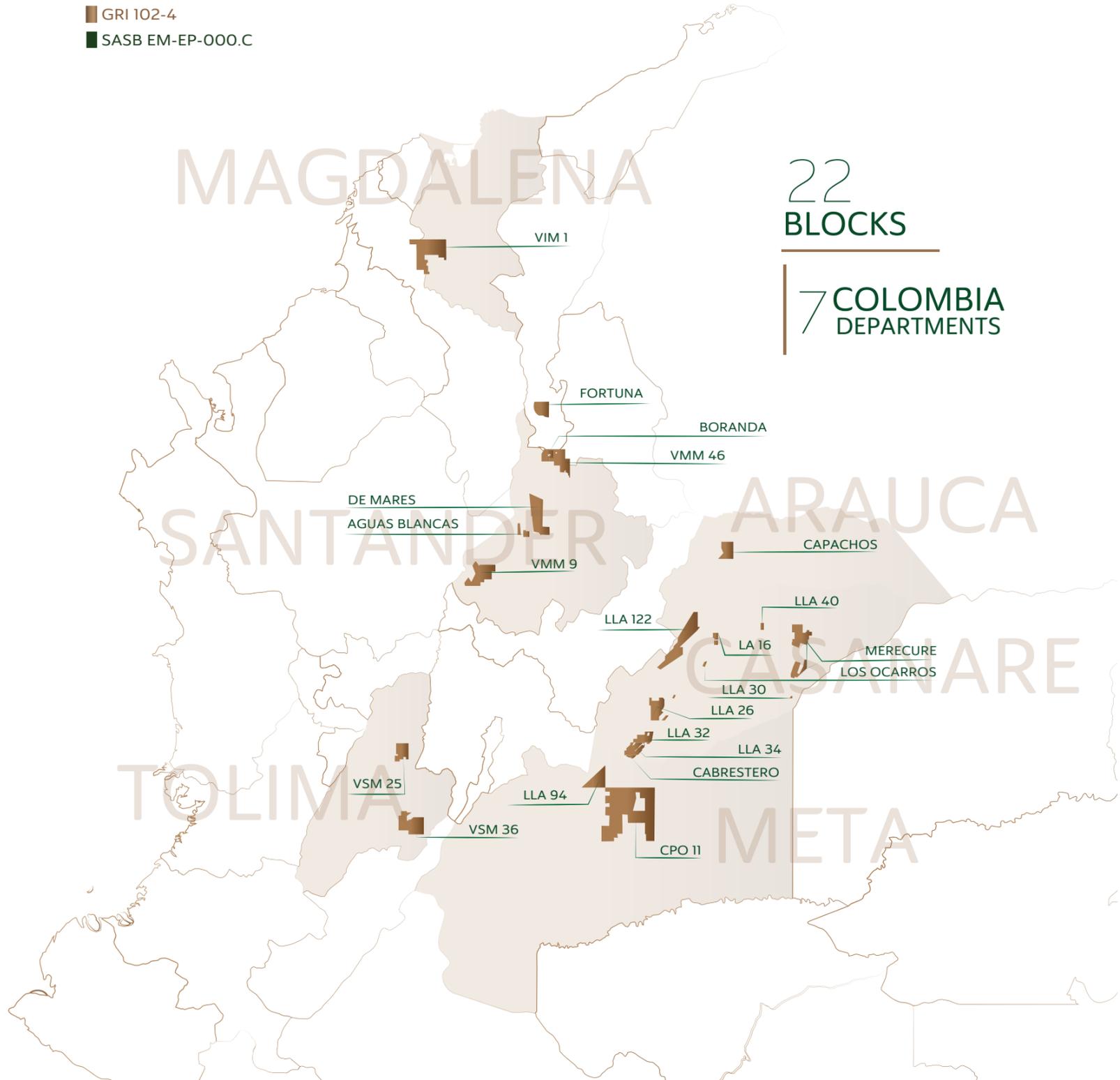


IN COLOMBIA
SINCE **2009**

¹ In the second quarter of 2019, Parex changed the way it presents the funds flow from operations in order to achieve similarity with the way in which the industry generally does it. See more information in the following link: <https://parexresources.com/wp-content/uploads/2020/03/PXT.12-31-2019.FSMDA-r372-FINAL-COMBINED.pdf>

OUR OPERATIONS

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



22
BLOCKS

7 COLOMBIA
DEPARTMENTS

CERTIFICATIONS

- GRI 102-12

Parex' activities related to exploration, production, marketing and oil transportation from producing fields to loading stations around Colombian various regions are duly certified in accordance with international technical standards.

ISO 14001:2015

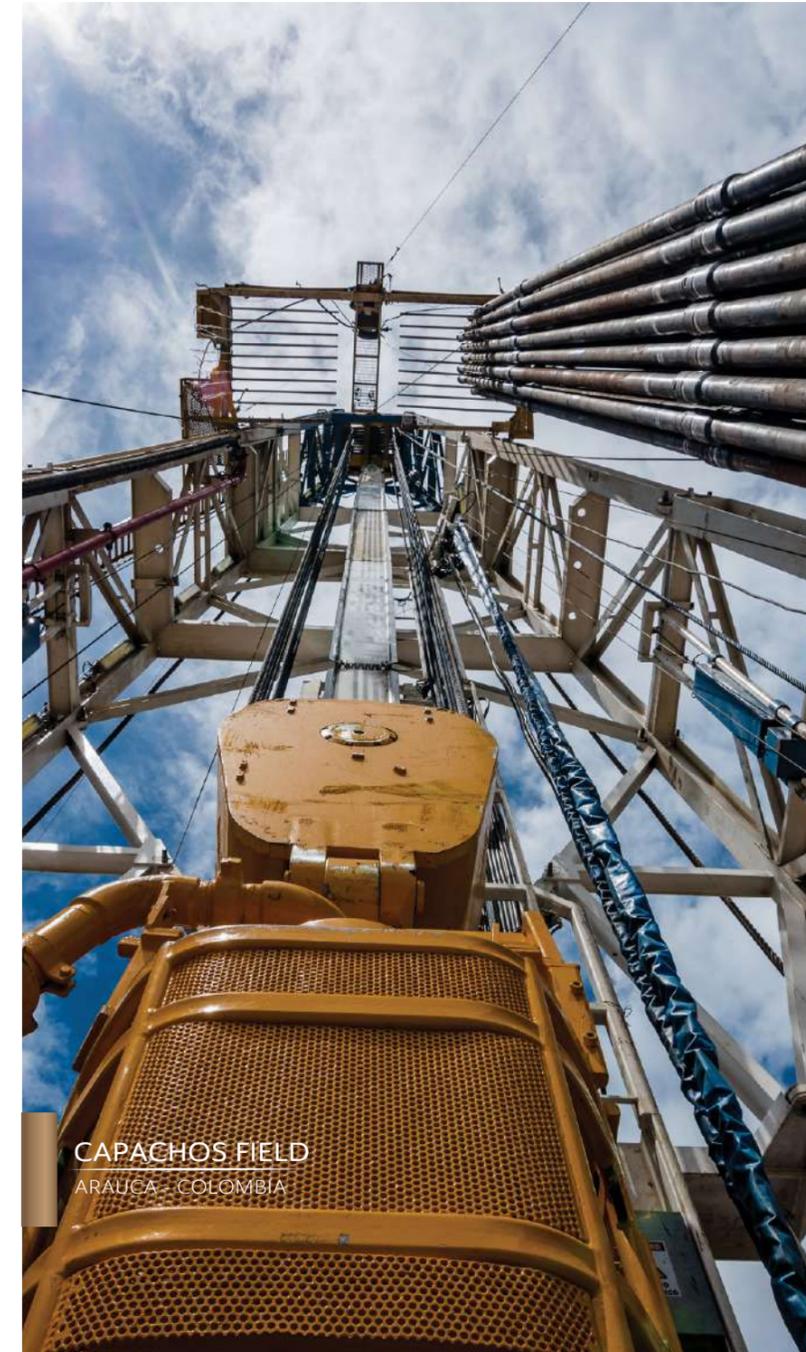


In 2019, Parex transitioned from ISO standard 14001:2004 to its updated version, issued in 2015. The current standard provides the Company with a framework to protect the environment and to respond to changing environmental conditions, thereby keeping a socio-economic balance. In addition, it specifies the requirements to establish an Environmental Management System that allows Parex to improve its performance and contribute to sustainability. The new version has a risk management approach associated with threats and opportunities that are of great value to the organization.

OHSAS 18001:2007



Maintaining the certification for occupational health and safety up to date through the OHSAS 18001 regulation is a clear sign of Parex' commitment to the safety of its employees. This standard allows the Company to have a system to manage operational risks and improve its performance, prevent accidents, reduce risks and ensure the well-being of employees.



CAPACHOS FIELD
ARAUCA - COLOMBIA

AFFILIATIONS

■ GRI 102-12, GRI 102-13

The Company is part of a group of important trade union organizations that seek to make hydrocarbon activity in Colombia more viable and sustainable. As such, Parex actively participates in initiatives that put these goals at the forefront, especially those aimed at promoting good industry practices in sustainability management.

CANADIAN ASSOCIATION OF PETROLEUM PRODUCERS (CAPP)

Parex is a member of the Canadian Association of Petroleum Producers, an organization headquartered in Calgary and which defines itself as “the voice of Canada’s upstream oil and natural gas industry with the objective to promote industry growth and advocate for economic competitiveness and responsible performance in environmental, social and occupational health and safety matters”.

COLOMBIAN PETROLEUM ASSOCIATION (ACP)

Parex is an active member of the Colombian Petroleum Association (ACP), a guild of the hydrocarbons industry in Colombia that brings together companies, especially in the private sector, which carry out oil and gas exploration and production, hydrocarbon transport and distribution of liquid fuels and lubricants. In addition to representing the industry’s interests in front of different stakeholders, the ACP leads initiatives to promote the adoption of high standards and the best socio-environmental practices by companies, in order to contribute to the sustainable development of the country.

NATIONAL ASSOCIATION OF ENTREPRENEURS (ANDI)

Parex is part of ANDI, Colombia’s largest business association, with affiliates in the industrial, financial, agro-industrial, food, commercial and service sectors, among others. ANDI’s main headquarters are located

in the city of Medellin, but the organization also has offices in Bogota and in other Colombian major cities. ANDI’s purpose is to make the country the most competitive and achieve consistent growth in business and industrial Gross Domestic Product (GDP). In 2020, the association will participate in the “construction of public policies and projects that improve legal certainty, close the gaps in human capital and promote innovation and entrepreneurship, all framed in a strategy of social and sustainable development”.

CANADIAN - COLOMBIAN CHAMBER OF COMMERCE (CCCC)

Parex is affiliated with the Canadian - Colombian Chamber of Commerce and actively contributes to the development of initiatives promoted by the organization. The CCCC focuses its activities on the growth and strengthening of commercial and economic relations of the bilateral business community, boosting investment between the two countries.

AFFILIATIONS



In 2019, Parex maintained its adherence to the Extractive Industries Transparency Initiative (EITI), demonstrating its commitment to open and responsible management of oil resources. The standard requires the disclosure of information from the entire industry value chain, from extraction, to how revenues reach the government and how economic resources translate into societal benefits.

SURA AWARD



SURA AWARD
SAFETY AND SUSTAINABLE MOBILITY AWARD
BOGOTÁ - COLOMBIA

"SAFE AND SUSTAINABLE MOBILITY"

In 2019, Parex received the SURA insurer “Movilidad Segura y Sostenible” (Safe and Sustainable Mobility) award in recognition of the Company’s good practices used and for its excellent road safety results in the transportation of oil, gas, cargo and passengers. Parex participated along 97 other companies affiliated with SURA and won the award, following the verification of its area of operations and expert evaluation.

The Company has developed a series of initiatives to change the behaviour on the road such as: “Mejorando Ando”, which includes conversations, analysis, feedback and support for contractors, the “Amigos del Camino Club”, created to generate affinity with the drivers, as well as other different communication campaigns and improvement audits for the development of contractors. A software called

CICLOP that facilitates the management of variables of the transport operation has also been implemented along with the provision of beds and comfortable resting places for the drivers to prevent fatigue and micro-sleeps. In addition, the company has done interventions to improve the roads and installed preventive and informative signs, speed bumps and checkpoints at key locations.

The road safety management program, which includes both contractors and subcontractors, has enabled Parex to achieve significant improvements, especially in the accidents indicator (MVA)* which has gone from 1.27 MVA in 2016 to 1.02 in 2017; 0.53 in 2018 and 0.13 in 2019.

*MVA = Number of recordable accidents X 1,000,000 of Kms travelled.

PAREX' VALUE CHAIN



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

Parex hires either companies of international goods and services or national and regional companies with subsidiaries in Colombia that become strategic partners for the development of its operations. Much of their efforts focus on creating and maintaining a supply chain that is not only rigorous in law enforcement, but also committed to enforcement of high socio-environmental standards and value generation.

In 2019, the total purchases of goods and services was COP \$1.05 billion (USD \$318.9 million), which is equivalent to a 30.1% increase over 2018. Total purchases of local goods and services amounted to COP \$126,452 million (USD \$38.5 million) compared to COP \$92,979 million (USD \$31.5 million) reported the previous year.

The number of Parex' contracting companies increased from 468 to 542 between 2018 and 2019. Likewise, the monthly average of contractor workers grew significantly during the year detailed in this

34
INTERNATIONAL COMPANIES
OR WITH SUBSIDIARIES IN COLOMBIA

364
NATIONAL COMPANIES
IN THE SUPPLY CHAIN

144
REGIONAL COMPANIES
IN THE SUPPLY CHAIN

542
TOTAL CONTRACTING COMPANIES
IN THE SUPPLY CHAIN

■ GRI 102-2, GRI 102-6, GRI 102-8, GRI 102-9

report, increasing from 4,760 in 2018 to 6,113 in 2019. The increase in contracting companies and contractor works is a result of the Company's growing operations.

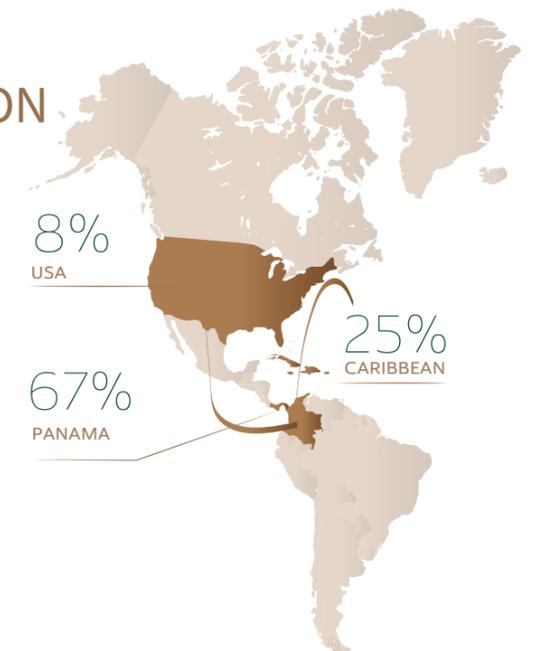
Workers from contracting firms support most of the activities that take place in the field in the different operational areas: exploration, drilling, civil works, facilities, production and workover, among others.

Information on the participation of contractor workers comes from the data these companies report monthly on the platform designed by Parex for this purpose, which are reviewed and approved by the Company's respective contract managers.

THE DESTINATION OF PRODUCTION

Parex sells oil, liquefied petroleum gas (LPG), gas and natural gasoline to its customers. In 2019, 36% of the oil produced by Parex was exported directly by the Company and 64% was sold within Colombia for exporting and/or refining purposes.

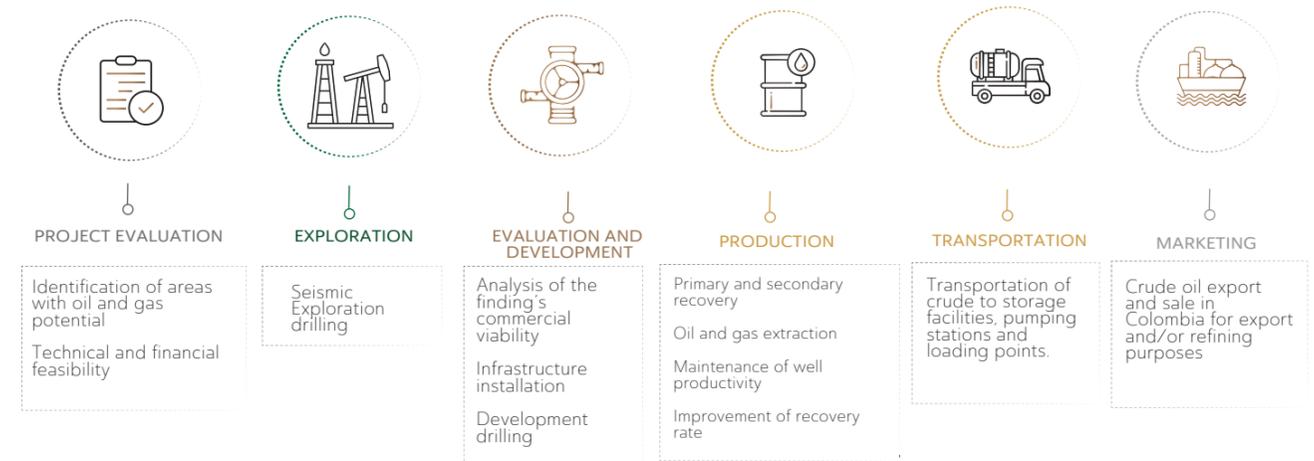
About 3,400,000 barrels of oil were sold for domestic refining and subsequent domestic consumption, these were already converted to diesel, gasoline and jet fuel, among others.



PRODUCED OIL & GAS BY DESTINATION



AN EFFICIENT, TRANSPARENT AND RESPONSIBLE VALUE CHAIN



INVESTMENT WITH ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA

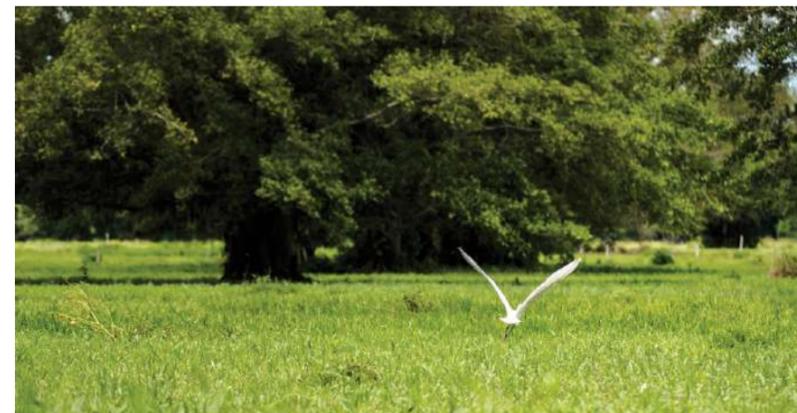
GRI 102-15, GRI 102-31
SASB EM-EP-420a.4

Since its inception, Parex has been cognizant that business goals are achieved by incorporating high standards in environmental and social responsibility matters, as well as by having a corporate governance framework that ensures consistent ethical and transparent behaviour of the Company and its entire value chain. For this reason, the Company's investment decisions take into consideration not only financial criteria but also environment, social and governance ("ESG") criteria.

This business vision is based on Parex' interest in effectively managing risks and achieving long-term sustainable profitability; maintaining a balance between business growth and the sustainability of the territories where it operates.

The ESG pillar, which refers to the environment, takes into account concerns for issues such as climate change, the protection of water resources and biodiversity. The social pillar focuses on the impacts on human capital, including the communities in the area of operations, as well as on the employees and workers; and finally, the pillar of corporate governance brings together the principles, policies and procedures that regulate the structure and function of the Company's governing bodies, the decision-making process and Parex' relations with all of its stakeholders.

In order to achieve coherence, understanding and rigor in these matters, the Company embraces international standards that strengthen its management system in ESG issues and that allow it to standardize data and impacts in a clear and comparable way for the different public interest groups. In addition, Parex relies on third parties for the verification and assurance of information, as well as to implement new initiatives that will lead the Company to improve its measurement of performance and to communicate results in a transparent and reliable manner.



METHODOLOGIES, STANDARDS AND BENCHMARKS

GRI 102-11, GRI 102-12, GRI 102-31

GRI AND SASB

Material issues for Parex are consistent with ESG criteria as well as Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards and methodology. The latter is a relatively new initiative which sets standards in line with different industries; Parex has taken the one corresponding to the hydrocarbons sector as a reference. Based on these tools, the Company measures and reports its management of sustainability matters.

outreach system for investors, companies, cities, states and regions to manage their impact on the environment, especially in terms of the transition to a low-carbon emission economy and climate change prevention, forest protection and water safety.

PRINCIPLE/PRECAUTIONARY APPROACH

Parex applies the precautionary principle for risk management in the planning of its operations; this approach allows the Company to reduce or avoid negative impacts on the environment. The Environmental Impact Studies that the Company carries out for the environmental licensing process are also completed based on this principle. Likewise, the analyses and environmental characterizations that are implemented before entering the territories are tools that allow Parex to anticipate and manage risks in a timely and effective manner.

CARBON DISCLOSURE PROJECT (CDP)

In order to strengthen the reporting of its environmental performance, Parex began responding to the Carbon Disclosure Project (CDP) questionnaire, including water and Greenhouse Gas Emissions (GHG), in 2018. The CDP is a not-for-profit organization that directs the global

SUSTAINABLE DEVELOPMENT GOALS ("SDGS")

Contributing To The Achievement Of The United Nations-Driven Sustainable Development Goals And The 2030 Agenda Is A Key Objective For Parex. For This Reason, For The Last Two Years, The Company Has Been Evaluating How It Manages To

Contribute To The Sdgs And, In Turn, To The Goals Set By The Government Of Colombia Through Its Business Vision And According To Esg Factors And The Management Of Material Issues Identified Under Methodologies Such As Gri And Sasb.

PAREX IS ESPECIALLY FOCUSED ON CONTRIBUTING TO THE FULFILLMENT OF THE FOLLOWING SDGS:



A WORD FROM OUR STAKEHOLDERS

JULIÁN TORRADO

President of the Board of Directors for the Canadian – Colombian Chamber of Commerce

"The Canadian - Colombian Chamber of Commerce has been one of many beneficiaries of the transparent and ethical management by Parex in Colombia. Their commitment to the socio-economic development of the country has made them a fundamental player, always standing out for their strategic contributions in all Canadian – Colombian initiatives that generate environmental, social and work-related impact. I appreciate and recognize the open and constructive dialogue that Parex has established with the communities and the way it has incorporated the criteria for economic and socio-environmental sustainability into its corporate strategy."

GERMÁN ESPINOSA

President of the Colombian Chamber of Goods and Petroleum Services, Gas and Energy, ("Campetrol")

"Parex's leadership has been, in my opinion, a determining factor on its success. Its leaders are people with great experience in the sector and with a technical and practical approach, not only economical. I would like to highlight the clarity with which Parex has addressed the issue of water use in its operations; one of the most discussed topics by those who oppose the sector. I believe that the transparency of the industry to show good practices, as well as the instances in which perhaps they have not had the expected outcome, is what contributes to building trust in the communities, to create a platform for dialogue, of mutual understanding and to the consolidation of agreements that favor the sustainable development in the areas of influence."

CAROLINA ROJAS

Vice President of Communications and Strategy for the Colombian Association of Petroleum ("ACP" – Asociación Colombiana del Petróleo)

"Parex has understood how to relate to others very well by building trust and communication, not only in terms of the communities in their areas of operation, but also with local and national government entities, the media and opinion leaders. Parex is an excellent partner for us at the ACP as we work on positioning the industry and on its fundamental issues. The success of an association like ours is in the commitment of its companies to the industry, to the country and to the working agenda of the Association. In this sense, Parex' leadership on social, environmental and communication matters is visible at committees and joint activities as their representatives actively participate with ideas, feedback and sharing of their best practices."

JAIRO JIMÉNEZ

President of the Workers' Association ("ASOLAVCAB")

"From the moment Parex arrived in our municipality of Villanueva, Casanare, they came to work as it should be done, according to the law, generating employment, making social investments, treating their communities in a good way and hiring goods and services. Small disagreements do have occurred, but Parex has immediately worked on a solution with the appropriate groups who are in charge."



GAS PLANT
LLANOS 32 BLOCK
CASANARE - COLOMBIA

FACTS AND FIGURES

ADDITION **5** NEW BLOCKS OF TO PAREX' PORTFOLIO



AVERAGE PRODUCTION **52,687** BOE/D



RESERVES 2P OF **198.4** MMBOE



COMMISSIONING OF THE GAS PLANT IN THE CAPACHOS BLOCK
FIRST LPG AND GAS NATURAL SALE IN ARAUCA.

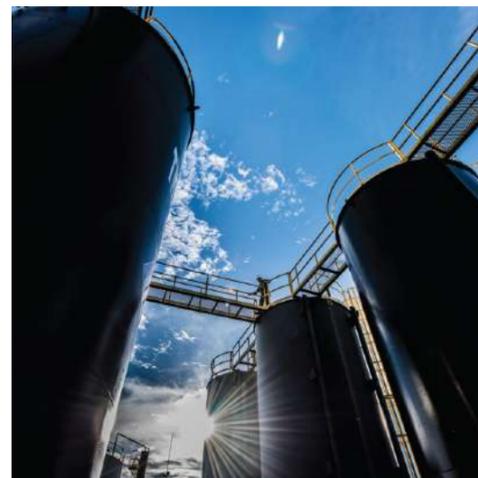


GRI 413 OWN

SOCIAL INVESTMENT OF **COP \$12,384** MILLION
USD \$3.72 MILLION



INVESTMENT OF IN PUBLIC WORK FOR TAX DEDUCTIONS. **COP \$5,815** MILLION
USD \$1.8 MILLION



43 DRILLED WELLS
97% TOTAL SUCCESS RATE
38 PRODUCTIVE
5 NON-PRODUCTIVE (1 ABANDONED, 2 SUSPENDED AND 2 TEST WELLS)



DISCOVERY OF ANDINA **NORTE-1** CAPACHOS BLOCK (ARAUCA).



INCREASE IN AVERAGE NUMBER OF CONTRACTOR WORKERS **4,760** 2018
6,113 2019



ROYALTIES PAID **COP \$442,947** MILLION
USD \$135 MILLION



GRI 204 OWN

LOCAL PURCHASES INCREASED TO **COP \$126,452** MILLION
USD \$38.5 MILLION

ABOUT THIS REPORT



OPERATIONS
CASANARE - COLOMBIA

■ GRI 101, GRI 102-45, GRI 102-50, GRI 102-51, GRI 102-52

This is the sixth sustainability report issued annually by Parex since 2014; the last one was published in 2019 with information corresponding to 2018. The report contains the results of the economic, social and environmental management of the Company's

hydrocarbon exploration, the development and the production operations for the period going from January 1, 2019 to December 31, 2019. The information published in this report relates to Parex and its subsidiaries Parex Resources Colombia, Ltd. Branch as well as Verano Energy Limited.

■ GRI 101, GRI 102-32, GRI 102-46, GRI 102-48, GRI 102-53, GRI 102-54, GRI 102-56

Guidance for sustainability reporting in Parex stems from the Board of Directors' strategic outlook and Company disclosure policy. Top-level management from both Corporate headquarters in Canada and Bogotá offices actively participated throughout the reporting process to ensure compliance with international ESG standards.

Total oil production and economic performance data considers all activities performed by Parex, including activities from non-operated blocks. The remaining information is exclusively for blocks operated by the Company.

Throughout the report, the figures stated are in US Dollars (USD) and in Colombian Pesos (COP), except in the heading: Economic Performance, where they are expressed only in US Dollars (USD). The average exchange rate representative of the market that is used is: COP\$3,281.09.

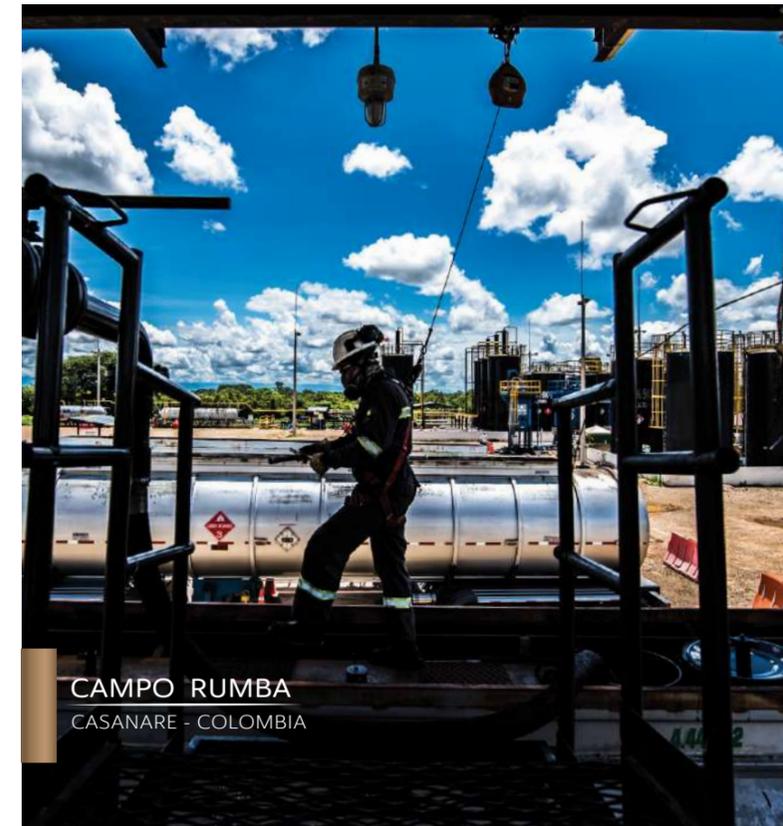
This 2019 sustainability report was conducted in accordance with the Essential option of the GRI standards, including the Oil & Gas supplement. Parex took into account the following principles for GRI reporting: precision, balance, clarity, comparability and reliability.

In some instances, there is a re-expression of the information, which is explained in the corresponding content.

Criteria and indicators suggested by the Sustainability Accounting Standards Board were incorporated, taking into account their relevance for investors and shareholders.

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

Any questions regarding this report can be sent to the following email address: info@parexresources.com. This document may also be viewed by the public at the following web address: www.parexresources.com.



CAMPO RUMBA
CASANARE - COLOMBIA

EXTERNAL VERIFICATION

Like the previous two reports (2017 and 2018), the 2019 sustainability report was audited by PricewaterhouseCoopers, AG. The external verification process is an initiative of the Company's senior management to ensure the information provided to its stakeholders is reliable. See assurance letter on pages 106 to 111 and 123 to 138.

MATERIALITY



ROAD TO THE a CABRESTERO FIELD
CASANARE - COLOMBIA

■ GRI 102-21, GRI 102-43, GRI 102-46

The Company followed the recommendations of the GRI as well as the methodology suggested by SASB for the definition and prioritization of Parex' material issues in preparation of the 2019 Sustainability Report.

Material issues were identified and prioritized based on the results from Parex' stakeholder consultation for the 2018 sustainability report (83 people), as well as an extension of the consultation conducted in 2020 (30 people). Both consultations were conducted through surveys and interviews of stakeholder groups' representatives, who not only reviewed material issues but also commented on

Parex' short-mid terms challenges and opportunities. Interviewees rated the Company's performance on key sustainability issues and proposed areas for improvement in communication and relationship building, among other things.

In addition, results from a prioritization exercise of material issues completed within the Company served as a reference point. Signum Consulting S.A.S facilitated the prioritization exercise in a workshop of 25 employees, including the President of Parex Resources Colombia Ltd. Branch, Lee DiStefano, vice presidents, managers and directors from cross-functional areas from Bogota and Calgary.

PAREX' STAKEHOLDERS

■ GRI 102-21, GRI 102-42, GRI 102-43
■ SASB EM-EP-201b.1

Parex stakeholders are identified using criteria such as proximity, responsibility, tension, dependence, influence and representation. Stakeholders are reviewed annually and validated by the Company according to business dynamics, with the aim of managing their interests, expectations and concerns associated with Parex' activities.

- COMMUNITY
- CONTRACTORS AND SUPPLIERS
- AUTHORITIES
- CIVIL SOCIETY
- EMPLOYEES
- CUSTOMERS
- PARTNERS
- INVESTORS
- SHAREHOLDERS
- MEDIA

STAKEHOLDERS' INVOLVEMENT AND PARTICIPATION

To ensure the constant involvement and participation of all its stakeholders, Parex has established communication channels and tools, such as: telephone assistance lines, report line, email, meetings with the Company's representatives, website, committees, surveys and interviews, and the complaints and claims mechanism, among others. It also has additional spaces and tools developed to deal with specific requirements from each one of them. In the case of communities, for example, it holds meetings to share information about projects, to agree on social investment and follow-up. It promotes coordination meetings and prepares compliance reports for authorities, and it prepares quarterly reports on business performance for shareholders and investors, which are posted on the Company's website. In the case of contractors and suppliers, the Company has the "Abastece" platform, through which it provides and receives information within the framework of competitive and contracting processes.



SOCIAL INVESTMENT EVENT
TAME - ARAUCA / COLOMBIA

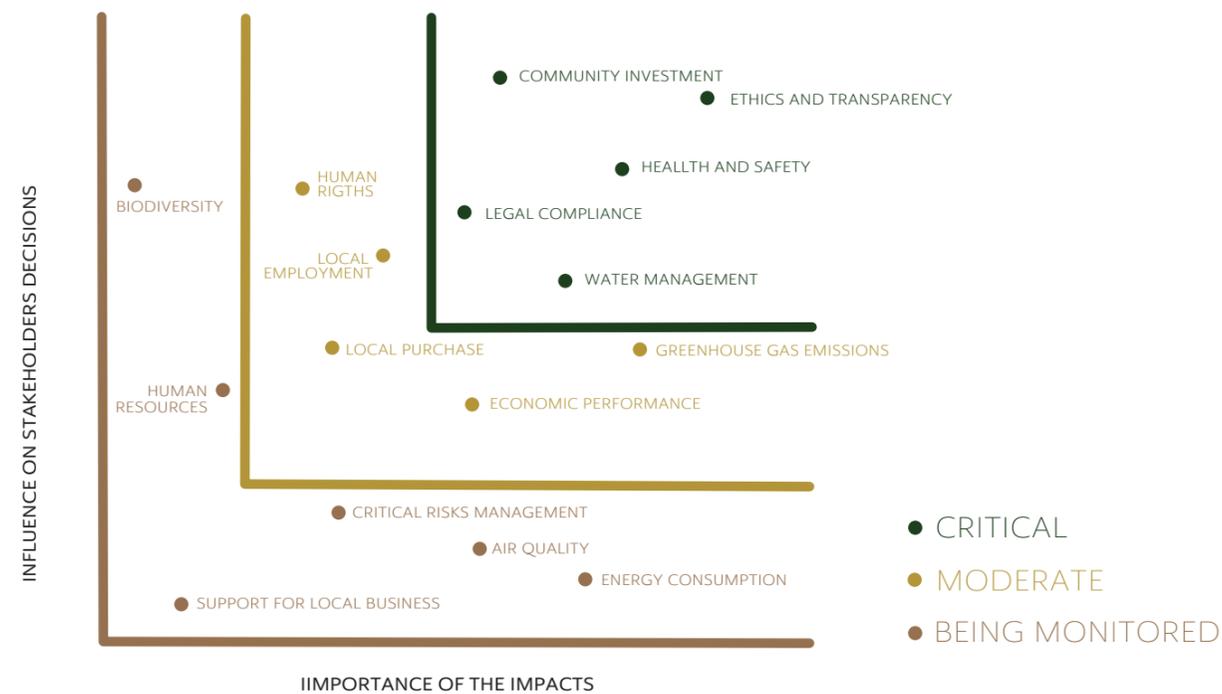
MATERIALITY MATRIX

■ GRI 102-46, GRI 102-47, GRI 102-49
■ SASB EM-EP-201b.1

In response to the recommendations by GRI, Parex prioritized material issues based on the importance of the impact associated with the Company's operations and the influence they have on stakeholders' decisions. The issues were classified

as: (i) critical (green), (ii) moderate (yellow) and (iii) subject to monitoring (blue); the latter includes the issues that, although not relevant, their management requires attention and permanent monitoring by the organization.

PAREX MATERIAL TOPICS 2019



No significant changes are evident in comparison to 2018. The incorporation of Human Rights (in the moderate quadrant) and Critical Risk Management (in the monitoring quadrant) are emphasized; the latter has to do with the Company's ability to prevent emergencies that have the potential to generate negative social and environmental externalities. It relates to Parex' safety culture and

its management systems to prevent long-term adverse effects.

In addition, for methodological reasons and conceptual aspects, Greenhouse Gas Emissions was separated on this occasion from Air Quality; the first was placed in the moderate quadrant and the second in monitoring.

■ GRI 103-1, GRI 103-2, GRI 103-3

MATERIAL ISSUE/ INDICATOR	WHY IS IT A MATERIAL ISSUE? GRI 103-1	HOW IS THE ISSUE MANAGED? GRI 103-2	HOW IS THE ISSUE ASSESSED? GRI 103-3
SOCIAL INVESTMENT (OWN INDICATOR)	Through social investment, Parex generates shared benefits in the communities of the area of influence of its operations, and it contributes to the sustainability of the surroundings.	Parex executes social investment taking into account the strategic guidelines the Company established, contractual obligations with the ANH and industry best practices. The Company promotes a broad participation of the communities for the agreement on projects and follow-up on their execution. Parex forms alliances with local authorities to achieve greater impacts and to ensure their long-term success.	The issue is assessed through third-party audits and technical interventions when the projects involve civil works. Parex is permanently managing the RCC (Requests, Complaints & Claims) mechanism and maintains a continuous and direct dialogue with the communities. Annually, within during the preparation of the Sustainability Report, the Company conducts a survey with stakeholders to assess corporate performance on this topic.
ETHICS AND TRANSPARENCY GRI 205	Building and maintaining the trust of stakeholders is a priority for Parex, and it is only possible through the ethical and transparent behaviours of the Company's employees and value chain.	Parex has developed a robust corporate governance structure to ensure the ethical and transparent behaviours of its employees and its value chain. The Code of Conduct and Ethics sets the values, general principles and corporate guidelines to prevent corruption, fraud and bribery, and it should be followed by everyone. The Company implements its ML/TF Risk management and Control System Manual. Parex monitors through the Risk Committee and it offers training in order to prevent this issue. Since 2018, the Company adhered to EITI, a global standard that contributes to good governance in the extractive industry.	The Company implements the Whistleblower Policy through a channel where complaints and enquiries can be made regarding compliance with the Code of Conduct, internal controls, audits or the Company's accounting, as well as any violation of the policies related to ethical and transparent behaviours of its members. In addition, the RCC mechanism (quejasyreclamos@parexresources.com) may be used by any stakeholder. The Board of Directors performs an annual evaluation of ethical business conducts of the Board and the organization in general.
OCCUPATIONAL HEALTH AND SAFETY GRI 403	The Company's operations are carried out seeking to minimize the risks to the health and safety of its employees and contractors. This is a fundamental issue within the framework of corporate risk management, and involves all processes.	Parex implements its Occupational Health & Safety Management System. Through this system threats that may affect the health and safety of people, the environment or the assets of the Company are identified and necessary measures are taken to prevent their materialization. Each manager in the Company leads Health & Safety management in their department, and initiatives are developed to promote a culture of selfcare and to prevent accidents in all processes.	Parex has a set of indicators to assess progress of its Health & Safety strategies. In addition, every month, at the Key Performance Indicator (KPI) meeting, progress of performance and leadership indicators is monitored. The Company conducts audits to assess the Health & Safety performance of contractor companies.
ENVIRONMENTAL REGULATORY COMPLIANCE GRI 307	Compliance with environmental regulations is imperative for the feasibility and sustainability of Parex' operations.	Parex' senior management is responsible for compliance with environmental regulations. The Company is rigorous in the preparation of Environmental Impact Assessments (EIA) and management plans for each of its projects. The Company complies with the provisions of Environmental Licenses and permits granted, and facilitates the monitoring and control by the relevant authorities.	Parex monitors environmental compliance indicators. The Board of Directors, for its part, performs a quarterly evaluation at the Health, Safety, Environment & Reserves Committee. The Company actively maintains its RCC mechanism to receive and deal with complaints and claims related to its environmental performance.
WATER MANAGEMENT GRI 303 OG-5	The Company's activities seek not to compromise the water resources of the communities or the environmental sustainability of the areas surrounding its operations. For this reason, responsible water management is a fundamental pillar in Parex' management.	For the withdrawal and consumption of water, as well as for the disposal of wastewater, Parex strictly complies with the law and the obligations contained in the Environmental Licenses granted by the national Government; this way, it ensures the supply and quality of water are not affected. The Company has a Water Management Procedure that is compliant with the current regulations and the applicable best practices. Parex strives to raise awareness regarding water conservation, inside and outside the organization.	Parex carries out permanent monitoring of water sources as well inspections and follow-up work to verify compliance with the law and corporate guidelines on the careful and responsible use of water. For each project, the Company does an inventory of environmental components, including water resources, which it uses to develop a continuous improvement plan. Water management is assessed through globally accepted indicators.

■ GRI 103-1, GRI 103-2, GRI 103-3

MATERIAL ISSUE/ INDICATOR	WHY IS IT A MATERIAL ISSUE? GRI 103-1	HOW IS THE ISSUE MANAGED? GRI 103-2	HOW IS THE ISSUE ASSESSED? GRI 103-3
GREENHOUS GAS EMISSIONS GRI 305 OG-6 OG-8	The Company's commitment and specific initiatives to measure and reduce the carbon footprint of its operations are increasingly relevant for some stakeholders and a fundamental aspect in decisions making.	Parex measures Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions using globally accredited methodologies applied by authorized third parties. This way, the Company establishes its carbon footprint and implements GHG emissions reduction plans and initiatives.	The Company uses indicators to evaluate its performance on an annual basis, taking into account globally accepted standards, as well as the impact of its carbon footprint reduction initiatives. Disclosure using standards and frameworks such as GRI, SASB and CDP, shows Parex' interest in measuring and accounting for its corporate performance in this matter.
LOCAL PROCUREMENT (OWN INDICATOR)	Upon on entering a territory, the Company commits to the development of local companies that offer goods and services required by its operations. It is also about strengthening local businesses, helping them become highly competitive and, thereby, revitalizing the regional economy. Parex sees its contractors as essential partners for the development of the business.	Parex identifies the supply of local goods and services taking into account the requirements in each one of the phases of its projects. For the contracting process, the Company ensures that selected providers of good and services meet its standards. The Procurement Committee is responsible for the approval of contracts. In order to strengthen its supply chain and to help companies become more competitive in the market, Parex offers them training and education programs.	Each contract has an administrator from Parex' staff who is in charge of monitoring and assessing contract compliance. The Company regularly carries out financial and commercial evaluations to contractor companies, as well as social and labor-related audits (led by the legal and CSR departments). In the case of transportation companies, HSE audits are performed.
HUMAN RIGHTS GRI 412-2	Parex understands that its reputation as a business is linked to the respect of Human Rights within the framework of its activities; and therefore, to an ethical and transparent management of social, environmental and employment matters.	The Company has a Human Rights Corporate Policy, which has properly shared with its employees. All Parex operations comply with national regulations, government policies and agreements, and treaties ratified by Colombia for the protection of Human Rights. In order to design and implement the Company's intervention plans and to manage risks effectively, before entering the territories, Parex performs social and environmental assessments, and context analyses in which it may identify issues related to Human Rights.	Parex maintains an active RCC mechanism through which eventual cases affecting Human Rights may be identified and managed. Internally, the Company evaluates its employees to guarantee their understanding of the corporate policy and the guidelines regarding Human Rights.
LOCAL EMPLOYMENT GENERATION (OWN INDICATOR)	One of the greatest expectations of the communities in the area of influence of the Company's operations, has to do with the generation of local employment. Efficient and transparent management of this matter has a direct impact on the relationships and the building of bonds of trust that are sustainable over time.	Parex relies on contractor companies to carry out its operations. These, in turn, hire skilled and unskilled labour to execute the work. Job postings and hiring processes carried out through the Employment Public Service, created by the national Government to guarantee participation, transparency and prioritization of local workforce.	Parex monitors local hiring processes by contractors and performs social and labor-related audits to ensure compliance with regulations and best practices.
ECONOMIC PERFORMANCE (GRI-201)	Economic performance is a material issue for Parex; the Company's success in this regard is reflected in benefits for its different stakeholders.	Parex has a highly qualified team that ensures prudent and effective financial management, complying with the law and meeting the highest standards. Financial statements are prepared according to the International Financial Reporting Standards (IFRS) set forth by the International Accounting Standards Board (IASB).	Parex' financial statements are audited annually by a reputable firm; then published to the corporate website. The Company is listed on the Toronto Stock Exchange under the ticker PXT, prepares and publishes periodic reports disclosing the economic performance of the business. Also, within the framework of the Sustainability Report, every year, a third party audits the economic value generated and distributed by the organization.

COVERAGE OF MATERIAL ISSUES

■ GRI 102-46, GRI 103-1, GRI 103-2

ETHICS AND TRANSPARENCY	Corporate and Legal Affairs	Authorities, investors, shareholders, employees, community, contractors and suppliers, customers, civil society.
HEALTH AND SAFETY IN THE WORKPLACE	Health and Safety and, in general, all areas of the Company	Employees, contractors and suppliers, communities, partners.
WATER MANAGEMENT	Environment, Sustainability	Authorities, communities, contractors and suppliers, investors, shareholders, part- ners, civil society.
SOCIAL INVESTMENT	CSR and Sustainability	Communities, authorities, partners, civil society.
ENVIRONMENTAL REGULATORY COMPLIANCE	Legal, Sustainability, Operations, Environment	Authorities, investors, shareholders, partners, communities, employees, customers, contractors and suppliers.
GREENHOUSE GASES	Environment, Sustainability, Operations	Authorities, investors, shareholders, partners, communities, Civil Society, clients.
ECONOMIC PERFORMANCE	Finance	Investors, shareholders, partners.
HUMAN RIGHTS	Corporate, Legal, Security and Sustainability Issues	Communities, Civil Society, partners, investors, shareholders, employees, contractors and suppliers.
LOCAL JOB CREATION	CSR and Sustainability	Communities, contractors and suppliers, authorities.
LOCAL PURCHASES	CSR, Sustainability, Procurement and Contracts	Communities, contractors and suppliers, authorities.

CORPORATE GOVERNANCE



GAS PLANT CAPACHOS
ARAUCA- COLOMBIA

BOARD OF DIRECTORS

GRI 102-18, GRI 102-26

Parex is aware of the importance of maintaining strong Corporate Governance practices to ensure transparent and consistent performance by all its members. Parex' highest governing body is its Board of Directors; it is the body responsible for overseeing the strategic direction and the administrative management of the organization.

GRI 102-18, GRI 102-22, GRI 405-1

The ten members of Parex' Board of Directors are elected during the Annual General Meeting "(AGM)" of Shareholders. The last meeting took place on May 8th, 2019 and after the nomination and corresponding vote, the following people were appointed:

CURTIS D. BARLETT
Member of the Corporate Governance and Nominating Committee.

LISA COLNETT
Member of the Compensation and Human Resources Committee and of the HSE and Reserves Committee.

ROBERT ENGBLOOM
Member of the Corporate Governance and Nominating Committee.

WAYNE FOO
Chairman of the Board of Directors.

(G.R.) BOB MACDOUGALL
Member of the Compensation and Human Resources Committee and of the HSE and Reserves Committee.

GLENN MCNAMARA
Member of the Finance and Audit Committee and of the HSE and Reserves Committee.

RON MILLER
Member of the Finance and Audit Committee and of the Compensation and Human Resources Committee.

CARMEN SYLVAIN
Member of the Corporate Governance Committee and of the Corporate Governance and Nominating Committee.

DAVID TAYLOR
President and Executive Director of Parex

PAUL WRIGTH
Member of the Finance and Audit Committee and of the Corporate Governance and Nominating Committee.

BOARD OF DIRECTORS BY GENDER



MARACAS FIELD
CASANARE - COLOMBIA

■ GRI 102-18, GRI 102-19, GRI 102-20, GRI 102-22, GRI 102-23, GRI 102-24, GRI 102-26, GRI 102-27, GRI 102-28, GRI 102-30

The nominations of the members of the Board of Directors are based on the merits of the candidates in the context of their skills, experience and independence, which are required for the highest governing body to be effective and achieve the best results for the Company.

During 2019, David Taylor, a member of the Board of Directors, served as CEO (President and Executive Director) of Parex; Lee Distefano was the President of Parex Resources Colombia Ltd. Branch.

The Board of Directors is responsible for overseeing Parex' risk management process. To fulfill this role, it has four committees:

COMMITTEES

- FINANCE AND AUDITING
- CORPORATE GOVERNANCE AND NOMINATION
- COMPENSATION AND HUMAN RESOURCES
- HEALTH, SAFETY AND ENVIRONMENT & RESERVES

Parex' Enterprise Risk Management ("ERM") process is approved by the Board of Directors and summarizes the Company's risk management principles and expectations, as well as the roles and responsibilities of all staff. It incorporates a Risk Management Framework and Risk Assessment Tools, as well as a Risk Matrix. The Risk Management Framework contains the essential attributes recommended by the International Organization for Standardization (ISO) in its ISO 31000 Risk Management Guides for 2017. The results of the ERM are documented on a semi-annual summary and on periodic updates which are presented to the highest governing body.

Parex' Board of Directors understands the profound relationship that exists between corporate performance in terms of sustainability and the viability and permanence of the business. For this reason, the social, environmental and governance risks and opportunities are analyzed and strategic



RUMBA FIELD
CASANARE - COLOMBIA

actions for their management are defined, ensuring compliance with the regulations and the highest industry standards.

In order to obtain first-hand information for decision-making, to be able to conduct constant supervision and maintain a fluid relationship with the Company's management and employees, the members of the Board of Directors occasionally visit Parex' offices in Colombia and to the area of field operations.

CEO AND EMPLOYEE CONVERSATION

■ GRI 102-21

In response to a Parex employees' request brought forth in the 2019 Organizational Climate Survey and with the interest of strengthening communication between the Company's employees and senior executives, a conversation session was established between Parex' President & CEO of Parex, David Taylor, Parex Resources Colombia Ltd.'s President,

Lee DiStefano, and employee representatives from different levels and areas of work. In this session, the group discussed the Company's objectives and the conditions of the industry and market; and also, employees' questions are answered. This initiative benefits the organizational environment and promotes a sense of belonging.



CEO, DAVE TAYLOR' PRESENTATION
TOWN HALL MEETING ,BOGOTÁ - COLOMBIA

ETHICS AND TRANSPARENCY



MARACAS FIELD
CASANARE - COLOMBIA

■ GRI 103-1, GRI 205-3, GRI 206-1, GRI 419-1
■ SASB EM-EP-510a.2 - SASB EM-EP-530a.1

This is a material issue for Parex because it is the basis of corporate reputation; all business objectives must be achieved in compliance with the law while ensuring ethical and transparent conducts.

IN 2019
ZERO (0)

REPORTS OF BREACHES OF THE CONDUCT AND ETHICS CODE
CORRUPTION CASES CONFIRMED:

CASES RELATED TO UNFAIR COMPETITION AND ANTI-TRUST

PRACTICES, AND ACTIONS AGAINST FREE COMPETITION.

MONETARY PENALTIES OR SANCTIONS DUE TO NONCOMPLIANCE WITH SOCIAL AND ECONOMIC LAWS AND REGULATIONS.

CODE OF CONDUCT AND ETHICS

■ GRI 102-16, GRI 102-25, GRI 103-2
■ SASB EM-EP-510a.2

In its Code of Conduct and Ethics, Parex sets the values, general principles and corporate guidelines to ensure honest, upright and responsible behaviours of its employees and all of those who are part of its value chain.

The Code of Conduct and Ethics addresses key issues such as ³:

- CONFLICT OF INTEREST
- CONFIDENTIALITY
- PROTECTION OF PERSONAL INFORMATION
- PROTECTION AND PROPER USE OF CORPORATE ASSETS
- INSIDER INFORMATION
- ENTERTAINMENT, GIFTS AND FAVORS
- BRIBERY AND ANTI-CORRUPTION
- FAIR TREATMENT
- CUSTOMER RELATIONS
- RELATIONSHIPS WITH PARTNERS
- RELATIONSHIPS WITH SUPPLIERS AND CONTRACTORS
- COMPLIANCE WITH LAWS, NORMS AND REGULATIONS
- SAFETY, HEALTH AND COMPLIANCE WITH ENVIRONMENTAL LAWS
- HUMAN RIGHTS, DISCRIMINATION AND HARASSMENT



RUMBA FIELD
CASANARE - COLOMBIA

² In 2019, there were zero (0) public legal cases related to corruption filed against Parex or its employees.

³ See Parex's Code of Conduct and Ethics at the following web address: https://parexresources.metro.net/indicators/economic/ethics/ethics_and_transparency

■ GRI 102-12, GRI 102-17, GRI 102-33, GRI 103-2, GRI 103-3, GRI 205-1, GRI 205-2, GRI 415-1, GRI 418-1

■ SASB EM-EP-510a.2 - SASB EM-EP-530a.1

Parex has a Complaint Policy (Whistleblower) to ensure the effective management of reports, complaints and concerns regarding compliance with the Code of Conduct and Ethics, internal controls, auditing and accounting of the Company. This policy also manages the possible violation of the Disclosure Policy, Confidentiality, Privileged Information & Policy of the Blackout Period and Procedures, the Environment Policy, Health and Safety, the Anti-Bribery and Anti-Corruption Policy, or any law or regulation of the jurisdiction where the Company operates. Complaints can be made anonymously, if the reporter so prefers.

For advice, consulting service or for the reporting of any violation of the Code of Conduct and Ethics, the following channels may be used:

- Immediate supervisor;
- President of the Company;
- Any member of the Disclosure Committee;
- The Company's Complaints hotline.
EthicsPoint at the following web address:
www.ethicspoint.com or by calling
1-888-279- 5269;
- The Company's external legal advisor, Burnet,
Duckworth & Palmer LLP, 2400, 525 – 8th
Avenue S.W., Calgary, Alberta T2P 1G1,
Attention: R. Bruce Allford; telephone (403)
260-0100;
- The Human Rights Commission of the
Province of Alberta: Southern Regional
Office, Suite 310, 525 – 11 Avenue S.W.,
Calgary, Alberta T2R 0C9, telephone (403)
297-6571 (Confidential Inquiry Line);
- Any other board member

The Board of Directors conducts an annual evaluation process, which partially focuses on the business ethical conduct of the Board of Directors and of the organization in general.

In compliance with corporate guidelines, Parex does not make any donations to political parties or representatives.

HABEAS DATA

In 2019, Parex implemented and kept the Procedure for the Processing of Information of Personal Data up to date. This procedure applies to each of the physical and/or digital databases that contain personal data processed by the Company, any parent company, branch, subordinate, subsidiary, association, affiliate and/or any entity related to Parex Resources Inc., as pursuant to Colombia's Law 1581 from 2012, Decree 1377 from 2013, as well as any other complementary and concordant regulations.

There were no claims regarding the violation of privacy or loss of personal data.

ML/TF

Parex has a System for Self-Monitoring and Risk Management of Money Laundering, Financing of Terrorism and Financing of the Propagation of Weapons of Mass Destruction Manual (ML/FT), which has been distributed to all employees. This manual conforms to international standards and complies with the regulations of the Superintendence of Companies in Colombia, where the Company develops 100% of its operations.

In 2019, virtual training in ML/TF prevention was provided to 285 people, among which were direct and temporary employees of the different areas in the organization.

During the year detailed in this report, Parex used the compliance tool to perform queries on ML/TF lists. The number of user queries increased by 44% between 2018 and 2019 as new areas of monitoring were included and counterpart creation and update processes were increased.

The results of the audits, auditor due diligence of third parties, as well as monitoring of PEP (Politically Exposed Persons) and cash operations, are presented quarterly to Parex' Risk Committee.

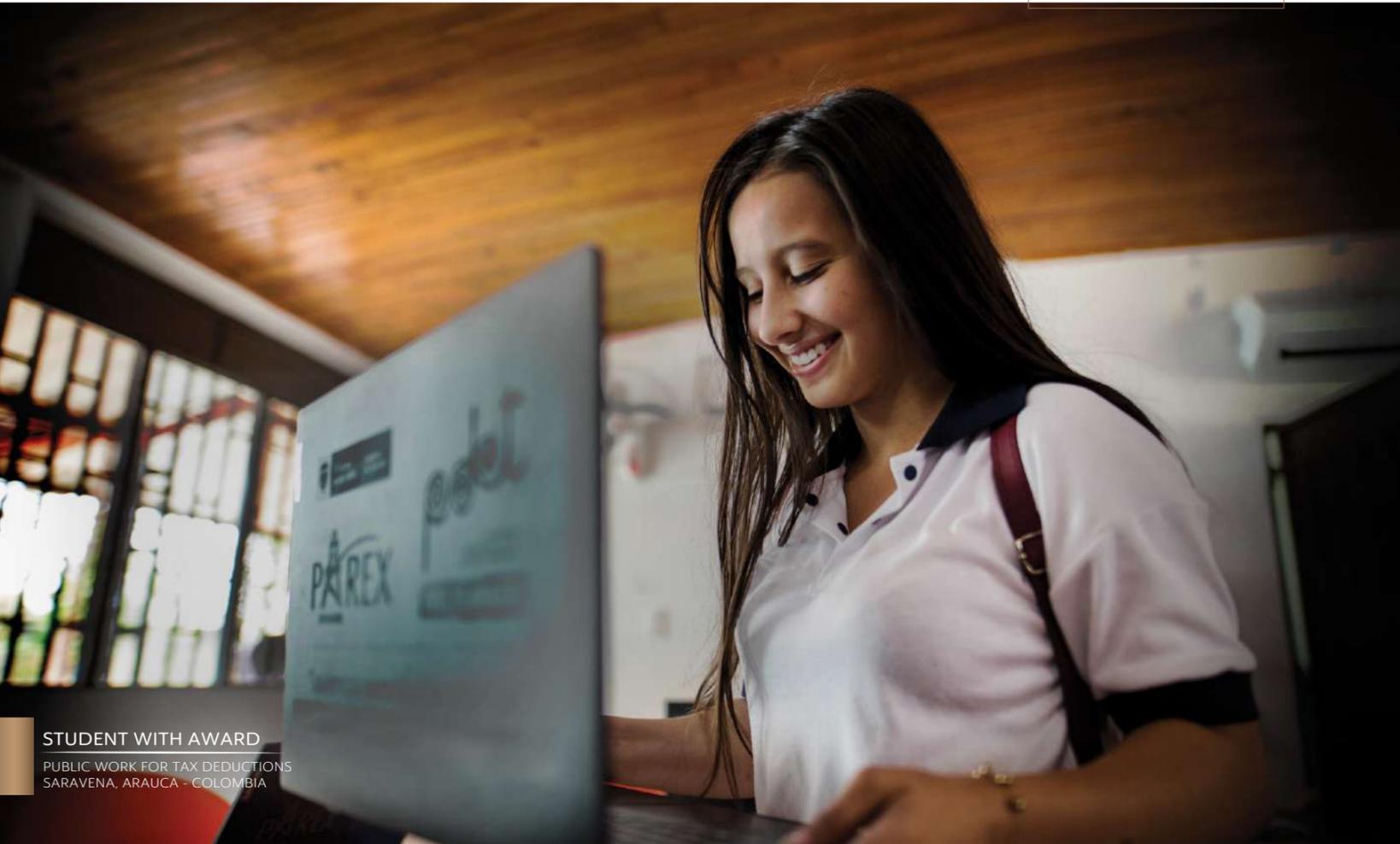
PAYMENTS TO THE GOVERNMENT AND ROYALTIES

In 2019, Parex made payments to the Government for international, national, municipal and local taxes. Payments amounted to COP\$646,374 million (USD\$197 million) and were made in accordance with the Canadian Government's Extractive Sector Transparency Measures Act. The royalties paid in the year detailed in this report were COP\$442,947 million (USD\$135 million).

**IN 2019 PAREX PAID
COP \$442,297 MILLION
(USD \$135 MILLION)
IN ROYALTIES.**



PAREX CONTINUES TO INVEST IN PUBLIC WORKS FOR TAX DEDUCTIONS



STUDENT WITH AWARD
PUBLIC WORK FOR TAX DEDUCTIONS
SARAVENA, ARAUCA - COLOMBIA

■ GRI 203-1

In 2018, Parex was the first company to execute a project through the Public Works for Tax Deductions mechanism in Colombia. The Company made an investment of COP\$1,021 million (USD\$311,000) for the funding of six educational institutions in the rural area of Tame, Arauca.

BENEFITING
51 SCHOOLS AND
16,000
STUDENTS
IN ARAUCA

■ GRI 203-1

In 2019, the year covered on this report, the national government approved three of the Company's projects through this mechanism for an investment of COP\$21,000 million (USD\$6.4 million). Public schools were funded in the municipalities of Tame, Saravena and Arauca in the department of Arauca and two initiatives were developed which sought to help the population of Tame to have access to safe drinking water: one located in the rural area and one in the urban area.

Public Works for Tax Deductions is a mechanism created by the Colombian national government for private companies to invest up to 50% of their income tax in economic and social impact projects to benefit the municipalities most affected by armed conflicts. Through this mechanism, projects can be developed in education (infrastructure and funding), health, road infrastructure, water and sewerage as well as energy supply.

MUNICIPALITIES "ZOMAC"

In 2017, the Colombian government selected, through a joint methodology from the Ministry of Finance and Public Credit, the National Planning Department and the Territory Renewal Agency, a group of the 344 municipalities most affected by the armed conflict, in order to prioritize and allocate resources from the public and private sectors to boost growth and development in these municipalities. These are called: The Zones Most Affected by the Armed Conflict in Colombia (ZOMAC). Parex operates in the following ZOMAC municipalities: Tame (Arauca); Maní, Aguazul, Paz de Ariporo, Pore, Tauramena, Villanueva, Hato Corozal (Casanare); and Aguachica (Cesar).





"We've been asking for some significant funding for our children for quite some time. We had extremely run-down desks and the chairs we had damaged their clothes. When the funding arrived, we were all very excited. The managers, the administrative and operational personnel, the teachers and the students were all so happy to receive the new items: desks, computer room, computers and dining room, for which we virtually had nothing."

SONIA MERCEDES LÓPEZ

Director of the "Escuela Normal Superior María Inmaculada", one of the educational institutions which benefited from Parex's educational project through Public Works for Tax Deductions.

GRI 203-1

During 2019, the Company executed and delivered an approved educational project worth COP\$5,800 million (USD\$1.8 million). These resources benefited 51 schools and 16,000 students in the municipalities of Arauca, Tame and Saravena in the department of Arauca. The investment was reflected in the delivery of equipment and furniture for 20 "TIM" classrooms (focused on technology, computer science and multimedia); 4 bilingual classrooms; 5 integrated physics and chemistry laboratories, as well as the creation of 131 preschool, 524 primary school and 1,132 secondary school jobs. In addition, a total of 1,248 laptops were delivered.

The director of the Rural Development Consultation (CDR) of Saravena, Emperatriz Montes, expressed her satisfaction for the project that benefited the institution: "Infinite thanks for having turned your attention to the main factor of social, economic, political and cultural transformation which is education. Education and the rural communities are the way. Today, an agricultural school opens up the opportunity to venture into science and technology through the provision of the bilingual classroom."

GRI 203-1
SASB EM-EP-530a.1

IN 2019
PAREX SPENT
COP
\$5,800 MILLION
THROUGH PUBLIC
PUBLIC WORKS FOR
TAX DEDUCTIONS

In 2019, the construction of the two water projects (rural and urban), that will be completed in 2021, was also initiated. The first is the installation of a Drinking Water Treatment Plant (DWTP) that will expand the current capacity of the aqueduct of the town centre of the municipality of Tame and, with it, achieve continuous water supply. The investment for this project is COP\$6,900 million (USD\$2.1 million) and will benefit approximately 35 thousand users. The second project, which is underway, is a rural aqueduct that will benefit more than 2,000 people from the villages of Angosturas, Corocito and Triunfo in the municipality of Tame and will cost COP\$8,340 million (USD\$2.5 million).

"I would like to give Parex a special thanks as I am certain of the way the Company is impacting us. Parex understood what is needed in order to remove municipalities from the cyclical condition of violence is education. It is a good example of how to use resources responsibly, just as communities are asking us to do. I know we've counted on; we're still counting on and will continue counting on Parex."

EMILIO ARCHILA

Presidential Counselor for Stabilization and Consolidation.



OPERATING PERFORMANCE



CAPACHOS FIELDS
ARAUCA - COLOMBIA

GREAT CHALLENGES AND EXPLORATORY SUCCESSES

In 2019, Parex participated in the drilling of 43 wells in Colombia, 38 producers and 5 non-producers, for a total success rate of 97%.

The Company continued to fulfill its contractual commitments in the Capachos block, located in the department of Arauca. After the success achieved with the drilling of the Andina-1 and Andina-2 wells in 2018, Parex set out to move forward with a new prospect in the northern area of these wells (Andina Norte). It was a great challenge which included reaching a depth of 18,900 feet; however, the Company trusted the experience gained in the first projects that were developed in the region.

Drilling the Andina Norte-1 well led to the discovery of two new deposits, in other words, of additional oil and gas reserves for the block. However, after

the drilling stage was completed and with about USD\$16 million invested, the cementing work presented some challenges that put production capacity at risk since production formations did not have the insulation needed to prevent early water production. At that time, Parex decided to do some remedial work, with only a 20% chance of success, and managed to succeed by producing about 3,000 barrels of oil per day of very good quality.

During the reporting period, Parex also drilled Andina-3 development well on the Capachos block and started drilling La Belleza well in VIM-1 block, in the department of Magdalena.

In addition, in the second half of 2019 a 3D seismic program was acquired in the 173 Km2 Fortuna Block, where a well is planned to be drilled in 2020.

NEW ACQUISITIONS

GRI 102-10

Parex successfully increased its inventory of potential areas by adding five new blocks. The Company acquired two blocks (VSM-25 and LLA-94) in the bidding round of the National Hydrocarbons Agency's Permanent Process for Allocation of Areas (PPAA) in July 2019 and three blocks (LLA-122, VSM-36 and VMM-46) were added in the bidding round in December of the same year. Parex also negotiated a farm-in contract in the Merecure block in the Llanos basin, which resulted in the discovery of Tamariniza.

The LLA-94 block is located in the same area as Parex' projects in Southern Casanare, the goal is to apply key learnings of adjacent areas that have proved successful for the Company. VSM-25, meanwhile, is the first Parex' block in the Upper Magdalena Valley basin, an area with little exploration in the country in recent decades. The Company's interest in VSM-25 project is 100% and 50% for LLA-94.



RUMBA FIELD
CASANARE - COLOMBIA

PRODUCTION AND RESERVES

■ GRI OG-1, GRI OG-11
■ SASB EM-EP-000.A

■ GRI 102-10, GRI 305-5



MARACAS FIELD
CASANARE - COLOMBIA

OPERATIONAL RESULTS		2019	2018	2017		
AVERAGE OIL AND GAS PRODUCTION (BOE/D)	2P RESERVES (MBOE)	PRODUCING WELLS DRILLED (WELLS/YEAR)	NON-PRODUCING WELLS DRILLED (WELLS/YEAR)			
52,687 BOE/D	198.4 MBOE	38	5			
44,408 BOE/D	184.6 MBOE	42	12			
35,541 BOE/D	162.2 MBOE	30	8			

Parex' average oil and natural gas production in 2019 was 52,687 boe/pd (98% of oil), an increase 18.64% compared to 2018. 2P reserves (proved and probable) amounted to 198.4 million barrels of oil equivalent, an increase of 7.4% compared to the preceding year.

For the period ended December 31 of the reporting year, Parex had replaced 171% of its entire production in 2P reserves.

ABANDONMENT AND DECOMMISSIONING

During 2019, 23 rigs in total were abandoned and decommissioned in the following blocks: Llanos 20, Llanos 16, Llanos 30, Cebucan, Llanos 32, Llanos 57, Jagueyes, Llanos 26, Llanos 29, Cabretero, Guacharaca and los Ocarros, in the department of Casanare; and Río Horta in the department of Magdalena. Guacharaca and Río Horta are blocks in which Parex is engaged as a partner; therefore, the environmental license is not held by the Company.

PAREX ENTERS THE GAS MARKET AGAIN

In 2019 Parex entered the gas market again, this time in the department of Arauca, with the commissioning of a plant for the processing of gas associated with its operations in the Capachos block.

This Company's initiative was developed for several purposes; on the one hand, to process and market gas so that it can be transformed into electricity, contributing to meet the local demand and guaranteeing the self-consumption within Parex' operations. On the other hand, to separate the related liquids, which are subsequently marketed in an efficient manner as LPG and gasoline. And, in particular, to reduce the carbon footprint, since, in the past, the gas related to the operations had to be disposed by venting or flaring. The plant was built with the participation of local labour, good and services, and it has a capacity to process 5 million cubic feet of gas per day; extendable to 10 million cubic feet per day.

At the Capachos block plant, Parex produces three types of products: (i) dry gas, for the generation of electrical power; (ii) Liquefied Petroleum Gas (LPG), for domestic consumption and (iii) Natural Gasoline, used for the dilution of heavy crude oils.

RELIABILITY FOR TAME'S ELECTRICAL SYSTEM

In order to make the marketing of the dry gas related to power generation viable, we promoted the improvement and construction of 22 kilometers of the electric power transmission network operated by the Empresa de Energía de Arauca (ENELAR ESP) from the substation of Tame to Capachos field.

In addition, we supported the construction of TermoCapachos power generation plant with an initial capacity of 5 Mw, operated by a third-party generator who, in turn, is the end consumer of the gas. This project became a milestone for the



CAPACHOS GAS PLANT
ARAUCA - COLOMBIA

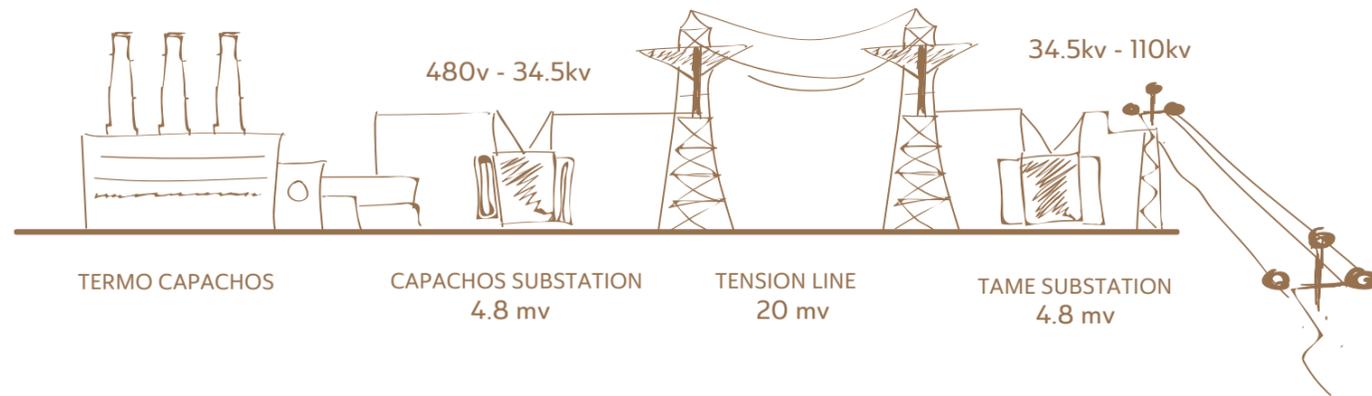
■ GRI 102-10, GRI 305-5

department of Arauca, as it was the first thermoelectric plant connected to the regional transmission system.

Subsequently, following Parex' discovery of the Andina well (2018), the Company decided to build an additional flow line of six kilometers to transport the fluids extracted there to the Capachos field,

process them at the plant and eventually convert them into energy that will be provided to the transmission network. As a result, during 2020, the power generation capacity will go from 5Mw to 15 Mw, with the expectation of reaching 20Mw in the future, thus greatly improving the reliability of the service in the municipality.

CAPACHOS GAS



LPG: CLEAN FUEL FOR THE COMMUNITIES

With the construction of the gas processing plant in Capachos, Parex also positioned itself as a key player in meeting the demand for Liquefied Petroleum Gas (LPG) in the Arauca department.

LPG comes especially from the mixture of propane and butane; it is clean energy, environmentally friendly, has multiple uses (kitchen and industry) and has a great potential to strengthen Colombia's energy basket. Many households in the rural sector of the department stopped using firewood for cooking and now do so with the LPG produced by Parex, which is compressed into cylinders and

marketed in the municipality of Tame by the company MEGAS and by the firm NORGAS in the rest of Arauca.

Once the plant became stabilized, an LPG production of 22,000 Kg/day was reached. From this production, it was estimated that in Arauca the equivalent of 37,183 cylinders of 40 pounds c/u were delivered. With the connection of the Andina well to the Capachos plant, through the flow line that was built at the end of 2019, daily production is expected to increase to 45,000 Kg of LPG.

■ GRI 305-5

"It is gratifying to see that the Colombian LPG sector is strengthening and gaining greater prominence in our country's energy basket, being a clean, reliable and efficient energy source, which industrial and residential users rely on. There is no doubt that the LPG sector is experiencing an important time thanks to the consolidation of its home and commercial use. What is coming now for this industry is promising, especially in relation to the new uses of LPG: we expect projects of firewood replacement for LPG to be realized throughout the territory, and entry into the transport sector of autoLPG and nautiLPG, among others. But it is critical that the current supply of domestic LPG is maintained, and with allies like Parex, we are confident that the country will have LPG for a while." Alejandro Martínez Villegas, President of the Colombian GLP-GASNOVA Association.

The company NORTESANTANDEREANA DE GAS S.A. E.S.P (NORGAS) became the main buyer of Parex LPG since August 2019, when the Company made its first sale. NORGAS is responsible for selling the fuel in cylinders to the end customer, especially in the department of Arauca.

According to the Operations Manager, Marco Antonio Vélez Tascón, Parex' entry into the gas market in the department "has had a social and logistical impact; it allows NORGAS to have the product on hand to carry out the process of storage, packaging and delivery to our customers in the region." He says that Parex' involvement in LPG production in Arauca increases reliability, ensures continuous supply for the community, and drives economic development. He also gives assurance that they have built an excellent and trustworthy relationship with the operator; "Parex is a strategic ally for my supply chain and with them we will seek to provide more contributions to the Arauca society." he concludes.

This initiative in the Capachos block adds to the effort that Parex also made in 2019 when it built and put into operation its first compressed gas plant in the Aguas Blancas field, located in the Middle Magdalena Basin. Thanks to this plant, the environmental impact is reduced and the self-supply of energy for the development of operations is guaranteed. This plant produces approximately one (1) million cubic feet per day of compressed gas and the expectation in the short term is that this capacity will double. Some of the Aguas Blancas gas is also sold to a local company for power generation.

BOOSTING TRANSPORT

The entirety of oil produced in the Capachos block and Natural Gasoline processed at the gas plant built by Parex in 2019, are transported by companies from the municipality of Tame, which generates a positive impact for the economy of the region and for the families of the Municipality. Natural Gas is carried in tanker trucks from Arauca to the oil operations in Cusiana and Monterrey, in the department of Casanare.



ECONOMIC PERFORMANCE



CAPACHOS FIELD
ARAUCA - COLOMBIA

■ GRI 102- 45, GRI 201-1, GRI 201-4

benefits totaled USD\$58.65 million in 2019, with an annual variation of 35%. It is important to clarify that unlike 2018, for the year of this report, the calculation included share compensation.

In 2019, Parex strengthened its balance sheet and closed the year with a larger net working capital and no long-term debt. The Company's good operational and economic performance, as well as the prudent financial management that characterizes it along with its ability to adapt to different circumstances, provide an atmosphere of optimism.

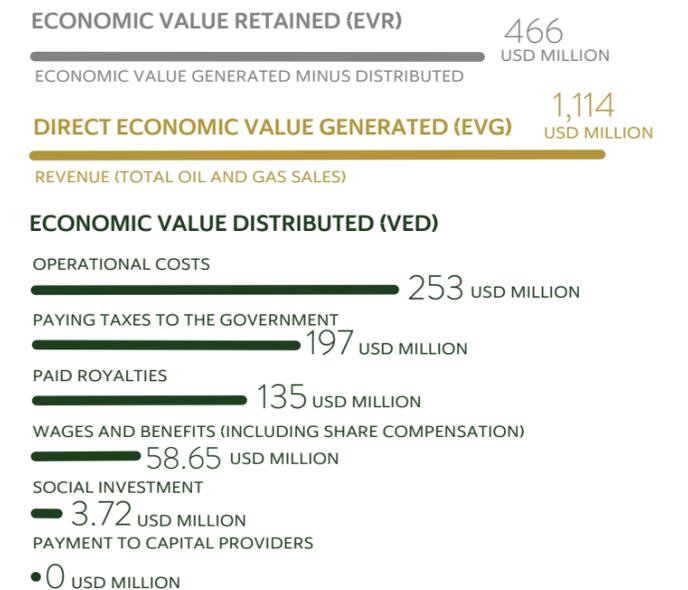
Parex did not receive financial assistance from the government in 2019.

The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standard Board (IASB).

Parex' audited financial statements for 2019 include companies and subsidiaries that were 100% owned by the Company as of December 31st of that year, such as Parex Resources Colombia Ltd. Branch and Verano Energy Limited.

Financial statements audited by PricewaterhouseCoopers AG, are available at the following web address:
<https://parexresources.com/wp-content/uploads/2020/03/PXT.12-31-2019.FSM DA-r372-FINAL-COMBINED.pdf>

DIRECT ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED IN 2019 (USD MILLION)



■ GRI 103-1, GRI 103-2

Economic performance is a material issue for Parex. Its success in this regard reflected on benefits for its different stakeholders. The Company is committed to monitoring, assessing and reporting its impacts related to the generation of wealth, including its revenues from the sale of oil and gas, capital expenses, operating costs, the payment of taxes and royalties, salaries and benefits for its employees, and investment in communities. Always ensuring information transparency.

At the end of 2019, Parex recorded gross revenue from operations, corresponding to oil and gas sales of USD\$1,114 million. The average Brent reference

price for the year was USD\$54.7 per barrel. Funds flow provided by operations amounted to USD\$570 million compared to USD\$401 million in 2018, representing a 42% annual increase.

Capital expenditures of USD\$208 million were financed by resources from the funds flow provided by operations. Net working capital, meanwhile, reached USD\$344 million, accounting for a 57.1% increase compared to 2018 (USD\$219 million). Finding, development and acquisition costs for 2P reserves were USD\$7.57 per barrel of oil equivalent per day.

Operating costs in 2019 amounted to US\$253 million, including transportation and commodity procurement services, among others. Direct employee salaries and



WORK OVER
CASANARE - COLOMBIA

HIGHLY COMMITTED TO THE ENVIRONMENT

ENVIRONMENTAL REGULATORY COMPLIANCE



RUMBA FIELD
CASANARE - COLOMBIA

- GRI 103-1, GRI 103-2, GRI 103-3
- SASB EM-EP-420a.4

Parex understands that its stakeholders have increasing expectations regarding the potential impact of its operations and its mitigation measures, caring for the environment and protecting biodiversity. The Company has expressed its commitment to ensure the integrity of its operations in order to have a positive impact on environmental sustainability.

The basis of this commitment relies on strict compliance with environmental regulations that govern in Colombia and the Environmental Licenses granted by the National Government. Parex carries out demanding operation planning tasks, conforms to the approval processes and issuance of permits defined by the competent authorities and responds in a timely manner to all the requirements stipulated throughout the life cycle of its projects.

IN 2019 PAREX HAD NO FINES

OR PENALTIES FOR NON-COMPLIANCE
WITH ENVIRONMENTAL STANDARDS.

- GRI 103-1, GRI 103-2, GRI 307-1
- SASB EM-EP-420a.4

The Company's strategy requires rigorous preparation of Environmental Impact Studies and the definition of specific management plans for each area of interest and for each of its exploration and development projects. Parex invites the community to participate actively in planning exercises, in an effort to develop relationships based on trust, transparency and mutual respect. Based on these principles, it carries out monitoring and reporting programs to measure its environmental and social impact.

Parex' senior management is responsible for management of risks and of opportunities arising from climate change, as well as for compliance with environmental regulations and policies. The Board of Directors' Health, Safety and Environment & Reserves Committee monitors the Company's environmental performance quarterly, ensuring compliance with current standards, and the achievement of corporate goals within the framework of emerging trends and industry best practices.



CAPACHOS FIELD
ARAUCA - COLOMBIA

EFFICIENT ENVIRONMENTAL MANAGEMENT

■ GRI 305-1, GRI 103-3

In 2019, Parex took increasingly firm steps to integrate its activities through a management system that reflects its environmental commitment.

For the third consecutive year, Parex has engaged the specialized independent firm Conservación y Carbono S.A.S. for the calculation of Greenhouse Gas emissions from its operations. The Company's base year for GHG calculation is 2017.

In addition, for the second year, the Company voluntarily responded to the CDP's water and Greenhouse gas questionnaires; CDP is a non-governmental organization that studies the consequences of water usage and GHG emissions for publicly traded companies.



CAPACHOS FIELD
CASANARE - COLOMBIA

GREENHOUSE GASES (GHG)



OPPORTUNITIES FOR REDUCING THE CARBON FOOTPRINT IN OPERATIONS

■ GRI 103-2, GRI 103-3, GRI 305-5, GRI OG6
■ SASB EM-EP-110a.3

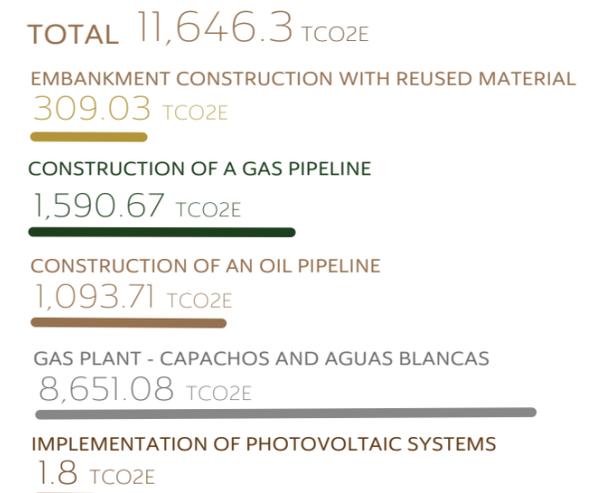
In 2019, Parex launched two natural gas processing plants to meet the energy requirements of its operations, to sell to third parties and to reduce CO2 emissions. One plant is located in Campo Capachos (Arauca) and the other in Campo Aguas Blancas (Santander). As a result of these initiatives, in 2019, Parex prevented the burning of approximately 133,586 thousand cubic feet of gas in flare stacks, avoiding emissions of 8,651.08 tons of CO2e (Scope 1) into the atmosphere.

Taking advantage of new opportunities to reduce CO2 (Scope 3) emissions is a priority in Parex' operations. With the construction, in 2018, of a 17-kilometer-long pipeline connecting the Llanos 32 and Llanos 34 blocks, the Company transported 35,050,813 m3 of gas in 2019, avoiding the use of tanker trucks. For the year detailed in this report, this project avoided the emission of 1,590.67 tonnes of CO2e by replacing diesel fuel, and its respective fugitive emissions, which would have been required to transport gas by road.

A similar result was obtained by the implementation of a 44-kilometre oil pipeline connecting the Llanos 34 Blocks and the Jagüey station in the Casanare department. In this case, 1,093.71 tonnes of CO2e were not emitted in 2019 as a result of the replacement of diesel consumption in the transportation of crude oil and the fugitive emissions generated by tanker trucks.

On the other hand, reducing the route to transport granular material reused for the construction of an embankment from

CO2 EMISSIONS REDUCTION



the Zamuro platform to the Azogue project, not only prevented the extraction of material from the quarry, but it also reduced the volume of fuel that the vehicles would have used to transport it. This prevented the emission of 309.03 tonnes of CO2e into the air.

These initiatives to reduce CO2 emissions into the atmosphere are complemented by the implementation of photovoltaic energy systems, an alternative for electricity generation in some oil and gas production fields (Scope 2).

GHG ESTIMATE IN OUR OPERATIONS

■ GRI 103-2, GRI 103-3, GRI 305-1, GRI 305-5
■ SASB EM-EP-110a.3



MARACAS FIELD
CASANARE - COLOMBIA

In 2019, Parex recorded an increase in Scope 1 greenhouse gas (GHG) emissions compared to previous years, due to the growth of its drilling and production operations, especially in the Akira, Bacano, Boranda, and Andina fields.

The GHG estimate is based on the operational control approach and the Colombian Technical Standard ISO 14064-1, as well as the Intergovernmental Panel of Experts on Climate Change, IPCC (2006) standard. The following gases were included in the calculation of Scope 1, 2, and 3,

and the intensity of greenhouse gas emissions: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFC).

The methodology used for estimating Scope 1 and 2 GHG emissions combined information on the limit to which human activity takes place (activity data, 'AD') with the coefficients that quantify emissions or absorptions by activity unit or Emission Factors (EF). As well, Potential Warming Factors were included in the estimate: CO₂ = 1; CH₄ = 25; N₂O = 298.

■ GRI 103-2, GRI 103-3, GRI 305-1, GRI 305-2, GRI 305-3 GRI 305-5
■ SASB EM-EP-110a.1 - SASB EM-EP-110a.2 - SASBEM-EP-110a.3

For the year covered in this report, biogenic CO₂ emissions from biofuel combustion reached 390.1 metric tons of CO₂ equivalent. GHG calculations were obtained based on the Emission Factors (EF) for ACPM-Ecopetrol and IPCC; in the case of biogenic sources, natural gas, crude oil and diesel, The Colombian Fuel Factors (FECOC) were taken into account; all of them given in kilograms per terajoule (Kg/Tj).

As far as Scope 2 GHG emissions go, they have been decreasing steadily due to the energy consumption reduction initiative in offices and in field facilities.

GEI EMISSIONS (SCOPE 1) (TCO₂E)



The calculation of Scope 1 GHG emissions in 2019 took into account: the operation of power generation plants, the venting and burning of flare gases, fugitive emissions, as well as refrigeration and air conditioning. Total emissions volume increased by 65,058 tCO₂e. The increase in these emissions reflected mainly additional burning of gas in flare stacks.

GHG EMISSIONS (SCOPE 2) (TCO₂E)



For the calculation of Scope 3 GHG emissions in the Parex value chain, seven (7) different activities were incorporated: operation of power generation plants, ground transportation of machinery and personnel, air transportation of personnel and fuel transportation, fugitive emissions, pulp and paper industry, refrigeration and stationary air conditioning, solid waste disposal and wastewater treatment and disposal. Based on these criteria, it can be observed that the Company has a 5.7% increase in CO₂ emissions compared to the previous year, a proportion equal to that recorded in 2018.

VOLUME OF GAS BURNT IN FLARE STACKS



GHG EMISSIONS (SCOPE 3) (TCO₂E)



NATURAL SOLUTIONS IN FAVOR OF THE ENVIRONMENT

GRI 304-3, GRI 103-2, GRI 305-5



NATIONAL PARK
CHOACHI, CUNDINAMARCA - COLOMBIA

As part of its environmental compensation obligations in the Fortuna Block, in 2019, Parex planted 2,979 trees in the village of Cimarrón in the municipality of Río de Oro, located in the department of Cesar. As a result, a reduction of 496 tonnes of CO2 emissions is estimated over the next ten years.

The Company also encouraged the involvement of its employees in tree planting and environmental

care. With the voluntary participation of employees from the Bogota offices, 82 native trees were planted in the Natural Park located in the municipality of Choachí, Department of Cundinamarca, with a reduction of CO2 emissions calculated at 13.33 tonnes over the next ten years.

These programs are aimed to promote natural carbon capture systems and ecosystem services associated with forests.



GRI 103-2, GRI 105-4, GRI 305-6, GRI 305-7
SASB EM-EP-120a.1

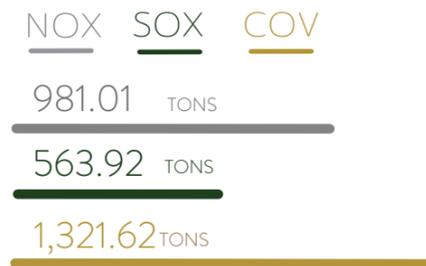
EMISSION INTENSITY

The emission intensity of the organization in 2019 was 0.030 tonCO2e/boe. This figure includes Scope 1 and Scope 2 GHG emissions, and its basis for calculation is the Company's total annual crude oil and gas production: 6,347,566 boe. Reported gases include CO2, CH4 y N2O.

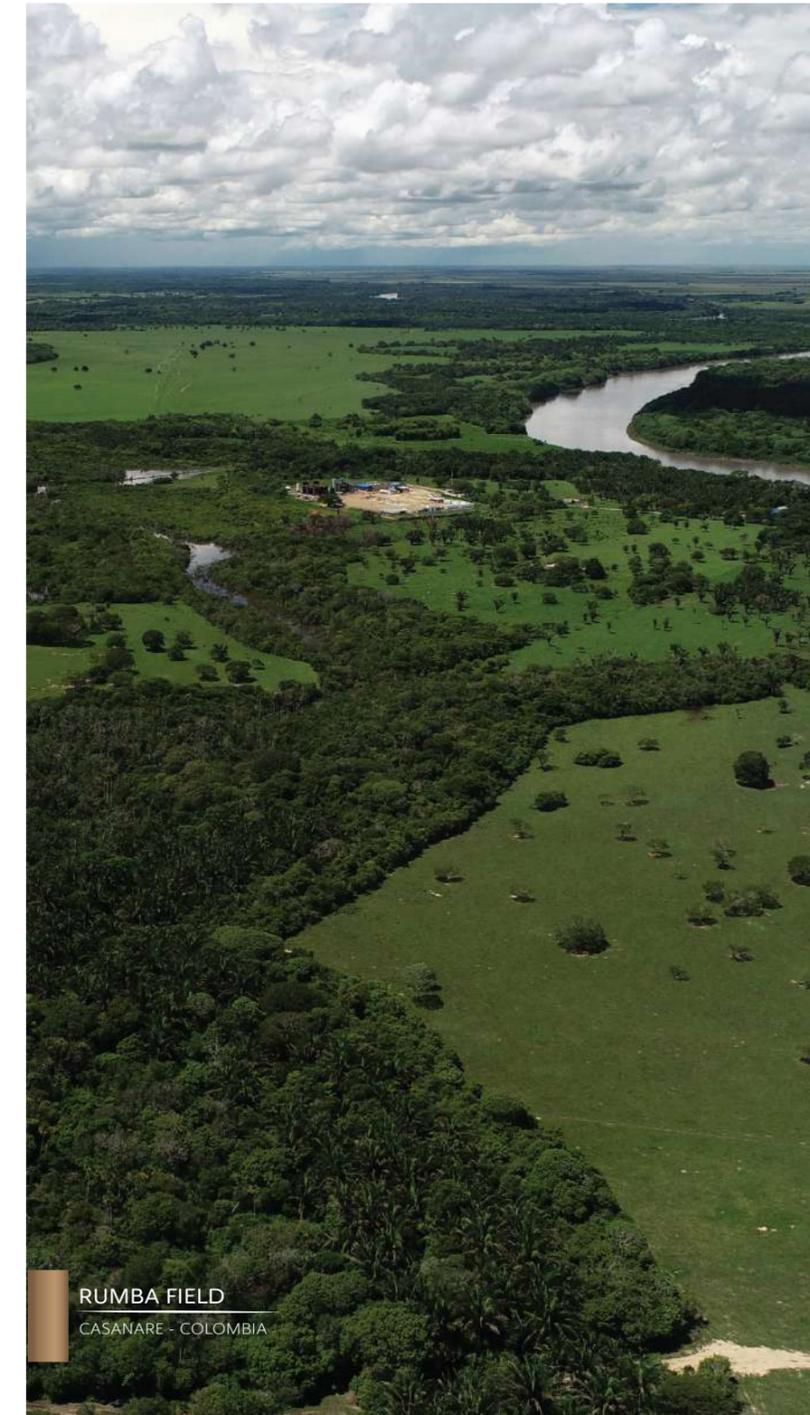
EMISSION OF OZONE-DEPLETING SUBSTANCES AND OTHER SIGNIFICANT EMISSIONS

Parex does not produce, import or export ozone-depleting substances (ODS). However, in 2019 the Company strengthened its measurement and reporting systems of other significant emissions into the air by using calculations based on published emission factors (EF), as explained above.

SIGNIFICANT EMISSIONS GOING INTO THE AIR IN 2019



The sources included in the estimate are the same as those considered for the GHG emissions.



RUMBA FIELD
CASANARE - COLOMBIA

RESPONSIBLE USE OF ENERGY

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

Parex tracks daily energy consumption in each of its operating fields, with the aim of optimizing its performance and the use of diesel, crude and gas fuels required in its operations.

POWER CONSUMPTION WITHIN THE ORGANIZATION

2019 2018 2017

101,877,586 kw.hr

75,784,156 kw.hr

72,685,188 kw.hr

As well, the Company measures the total fuel consumption from renewable and non-renewable sources, including those from the administrative

ENERGY INTENSITY

2019 2018 2017

16.05 KWHR.BOE (-) 3.7% VARIATION(%)

16.66 KWHR.BOE (-) 5.8% VARIATION(%)

17.52 KWHR.BOE

offices in Calgary, Bogota and the field. The result for 2019 was as follows:

POWER CONSUMPTION BY SOURCE WITHIN THE ORGANIZATION

NON-RENEWABLE SOURCES
1,435 TERAJULIOS

RENEWABLE SOURCES
1.91 TERAJULIOS

Electricity and heating consumption during the year reached 1.91 and 1.27 terajoules respectively.

ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION

502 Terajoules

Energy intensity for 2019 was reduced by 3.7%, which shows the increased efficiency that the Company achieved in energy use in relation to its hydrocarbon production; this is consistent with Parex' interest in reducing its carbon footprint.



MARACAS FIELD
CASANARE - COLOMBIA

WATER MANAGEMENT



RUMBA FIELD
CASANARE - COLOMBIA

■ GRI 103-2, GRI 103-3, GRI 303-1, GRI 303-5

Parex has a clear understanding of the importance of water as a shared resource and the Company's responsibility to in using water properly. The Company maintains management and monitoring measures in all its operations in order to preserve water sources. Parex also contributes to the care of water so that people have access to this resource and achieve the balance of ecosystems.

Parex strictly complies with Colombian legislation, which seeks to conserve water, regulate its use and prevent its alteration as a result of human and industrial activities. In addition, the Company knows the characteristics of the water basins where Parex operates and works with the environmental authorities to adjust its activities to the demands of the environment.

Consumer practices based on preservation and the efficient use of the resource guide the Company's operations. All people, including Managers and Supervisors, direct employees, contractors and subcontractors of Parex are responsible for the adoption and compliance of these practices. The Company, for its part, develops campaigns directed at staff for creating awareness in different topics related to water resources.

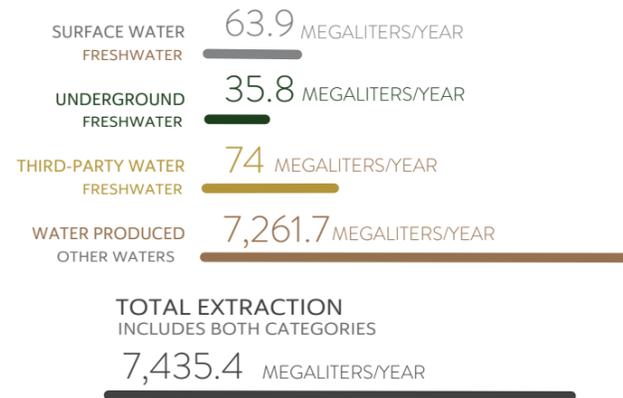
WATER COLLECTION AND CONSUMPTION

The characteristics and conditions for developing the water collection process in all the Company's operations are governed by the provisions of the Environmental Impact Studies (EIS) and the Environmental Management Plans (EMP). The water collection systems designed by the Company require the identification and signaling of the collection points and the installation of pumping equipment in authorized locations. These are located in stable areas, in the physical spaces strictly necessary to install the pumping equipment, always respecting the conditions identified in the EIS and the buffer zones established by the authorities and seeking to minimize any possible alterations to the vegetation of the site.

Each water collection system has a properly calibrated and third-party certified flow meter. Collection control is the responsibility of the area operator but at the same time, the staff in charge of the Company's Environmental and Quality Management verify the integrity of the system. Through this exercise, the volumes obtained are controlled to be within the permitted extent and do not exceed the authorized flow rates.

■ GRI 103-2, GRI 303-3, GRI 303-5
■ SASB EM-EP-140a.1 - SASB EM-EP-140a.2

WATER COLLECTION BY SOURCE (MEGALITERS/YEAR)



Note: Surface water includes water collected from rivers and streams, as well as rainwater (via a pool), in accordance with GRI Standard 303-3 (Version 2018). The water collected from rivers and streams amounted to 63.79 megalitres, and the water collected from the pool was 0.08 megalitres in the reporting year.

The fresh water corresponds to water with a total concentration of dissolved solids equal to or less than 1,000mg/L, and Other waters corresponds to those that exceed that concentration of total dissolved solids.

In the sustainability reports of previous years, Parex reported these volumes in cubic meters.

In 2019, the Company obtained close to 80% of the water required for its operations from surface sources and third-party purchases. This latest form of water acquisition is mainly used in the development of civil works or when it is said that the extraction of natural sources is not the best alternative for operation and the environment. To access third-party water, Parex conducts a due diligence process in order to ensure that the supplier has the permits granted by environmental authorities to market water. Similarly, it ensures that the purchase does not disturb the water supply for the community and that the available volumes are in excess of local demand.

Parex does not capture marine waters or perform operations in areas with water stress.

Including formation waters related to the oil produced from each well in 2019, the total volume of water extraction from all the areas where the Company operates reached 7,435.4 megaliters.

The Organization's water consumption represents the amount of liquid that is no longer available to the ecosystem or to the local community, and the result is obtained by comparing the total water extracted, including formation waters and the total volume of discharged water.

In 2019, the total water consumption used for the Company's operations was 111.8 megalitres.

It is worth clarifying that the water collection allowed by the environmental authorities does not affect the quality or availability of the resource in water bodies.

WATER REUSE

Parex achieves careful use of water by monitoring its use cycle from the source to the final disposal. The Company carries out routine inspections of water collection infrastructure, the conduction lines and the areas where water treatment occurs. Any findings are recorded and reported in forms for monitoring Inspection, Corrective and Preventive Actions for their timely management.

Water reuse represents a form of saving that has an impact on conservation. Parex keeps a record of the volumes of reused water, which is accounted for within the framework of its collection control processes. The Company intends to increase its reused water figure over time.

WATER REUSED



EFFLUENTS AND WASTE

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

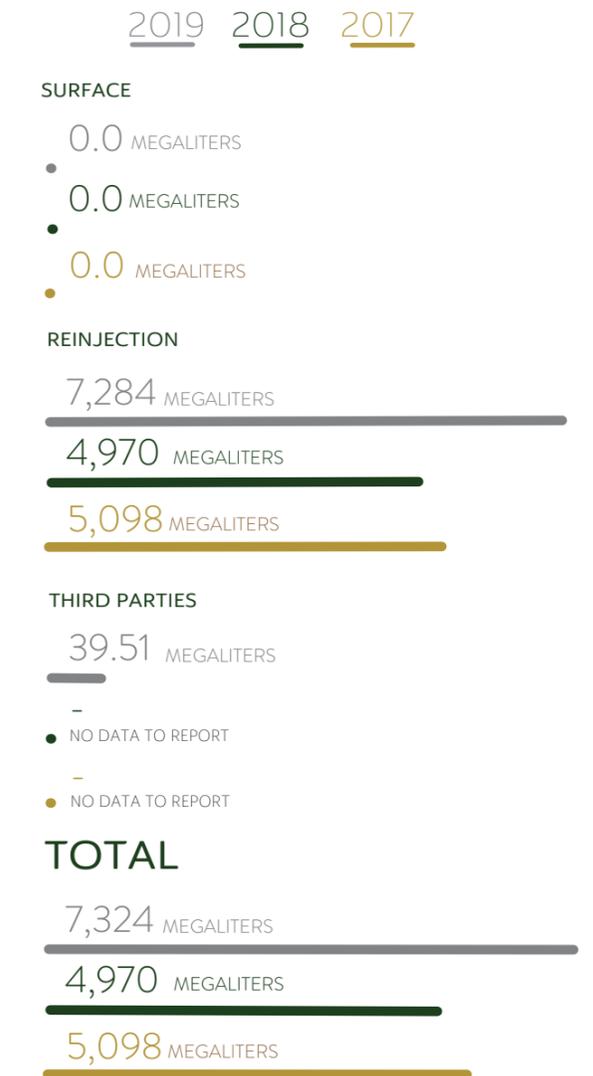
WATER DISCHARGE

In accordance with Parex' Environmental Management System, the Company avoids discharges to surface water sources or to the ground. Parex always complies with the norms established in the EIA and current environmental legislation. In 2019, 7,324 megalitres of water were discharged; 99% was reinjected in the production strata and the remaining 1% was delivered to authorized third parties. The re-injected water received the proper separation treatment, as provided by the regulations and Parex took additional measures to take care of the water quality in the re-injection process.

Following the methods and qualities established in the environmental licenses granted by the authorities for each block, the Company monitors domestic and industrial waters to determine their disposal method.

Relating to formation water, that is, the water associated with oil and gas production, Parex carries out a screening and monitoring process based on current standards and performs periodic sampling to certify its physicochemical treatment and the corresponding disposal process. The re-injected water volumes have a detailed record; those delivered to third parties have delivery and final disposal certificates. In 2019, the volume of formation water generated by operations reached 7,261,713 cubic meters.

WATER DISCHARGE BY DESTINATION (MEGALITERS)



WASTE MANAGEMENT

Parex manages waste under the terms established by the Colombian legislation and has a Solid Waste and Material Management Plan, through which, classification and control are performed and a method for safe waste disposal is defined.

The growth of the Company's operations in 2019 required an increased use of materials related to the drilling and production of hydrocarbons. The total volume of waste generated by Parex was 6,148,395 kilograms. 10.6% was classified as hazardous waste and 89.4% as non-hazardous.

HAZARDOUS WASTE RESULTING FROM OPERATIONS



NON-HAZARDOUS WASTE RESULTING FROM OPERATIONS



The largest volume of non-hazardous waste recorded in 2019 corresponds to dragged material generated in the execution of civil works during the process of dismantling and abandoning the fields. For their final disposal, these materials were delivered to duly authorized third parties.

GRI 301-1, GRI 301-2, GRI 301-3, GRI 306-2

Of the total hazardous and non-hazardous waste generated by the Company in the year covered by this report, 3.4% was recycled. Excluding the volumes of materials originating in civil works, the recycle number rises to 22.1%, just over one-fifth of all materials included in the operation.

HAZARDOUS WASTE BY DISPOSAL METHOD

RECYCLING
53,561 Kgs

INCINERATION
76,059 Kgs

LANDFILL
78,997 Kgs

OTHER WASTE DISPOSAL METHODS
440,184 Kgs

NON-HAZARDOUS WASTE BY DISPOSAL METHOD

RECYCLING
155,049 Kgs

INCINERATION
24,488 Kgs

LANDFILL
114,101 Kgs

OTHER WASTE DISPOSAL METHODS
5,205,958 Kgs

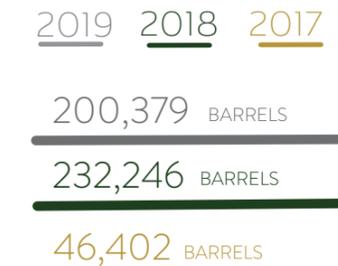
Some hazardous recyclable wastes, such as oils generated at production stations, re-enter the system through their physicochemical treatment. Others, such as fluorescent lamps, are delivered to third parties for reuse. Non-hazardous recyclable waste, such as wood, cardboard, plastic and paper, as well as metal and plastic cans, are partially reused in the operation.

DRILLING CUTS AND SLUDGE

GRI 306-3, GRI 306-5, GRI OG7, GRI OG8
SASB EM-EP-160a.2

Drilling cuts and sludge are treated and discarded under Parex' Comprehensive Solid Waste and Materials Management Plan. Prior to the delivery of these materials for final disposal to a specialized third party, the Company performs the treatment according to environmental standards. In the development of this procedure, Parex prohibits the use of benzene or sulphur.

DRILLING CUTS AND SLUDGE



VIMI DRILLING RIG
MAGDALENA - COLOMBIA

SPILLS

The prevention of spills is a priority issue for the Company because of the negative impact these events can have on the environment. Consequently, Parex has implemented programs to ensure the integrity of its operations, seeks to improve its equipment and facilities, and carries out monitoring and inspections activities in order to reduce the risk of spills. Should a spill occur, there are Contingency Plans in place for the Company to act in a timely and effective manner to minimize any environmental damage that may develop as a result.

(0)
ZERO

SPILLS WITH ENVIRONMENTAL IMPACT IN THE OPERATIONS AND TRANSPORTATION OF CRUDE OIL AND FUELS IN 2019

Parex has defined the recording of spills starting at one (1) barrel when such incident is not contained. Based on these parameters, there were no significant spills recorded in Parex' operations in 2019, a positive result reflecting the organization's commitment to caring for the environment.

BIODIVERSITY



HERONS NESTING PLACE
CASANARE - COLOMBIA

■ GRI 304-2, GRI OG4
■ SASB EM-EP-160a.1

Parex develops its activities in Colombia recognizing the country's biodiversity and the fragility of the ecosystems present in all of its operational areas; therefore, complies with the relevant environmental legislation and adopts the best practices for the sector. The Company

maintains an ongoing relationship with the territorial authorities and with the institutions responsible for safeguarding and protecting the fauna and flora. At the municipal level, Parex carried out biodiversity projects in the municipalities of the area of influence of its operations in the departments of Casanare and Cesar.

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

Acquisition of areas for biodiversity conservation:

With the purpose of contributing to the conservation of strategic and representative ecosystems, Parex put forward its procurement efforts for the acquisition of some plots of land: "La Solution" located in the municipality of Paz de Ariporo and with a land size of 633.54 hectares; and "California" situated in the municipality of Pore and with a land size of 230 hectares; both plots are located in the department of Casanare.

Ecological restoration for the consolidation of a biological corridor:

With the aim of contributing to the restoration of the dry tropical forest ecosystem (bs_T), Parex developed ecological restoration activities in an area of 2.7 hectares, thereby connecting two wooded relicts in the municipality of Rio de Oro, in the department of Cesar.

Agroforestry systems for the ecological recovery of environmentally degraded areas:

As an alternative for the ecological restoration of degraded areas in Casanare and to generate economic benefits for communities, in 2019, Parex began implementing 148.86 hectares of agroforestry systems, which will benefit 75 rural families from the municipalities of Paz de Ariporo, Pore, Nunchía, Trinidad, San Luis de Palenque and Yopal.

At the national level, Parex works in partnership with the National Parks Institution of Colombia, a member of the Ministry of Environment and Sustainable Development, in order to preserve and strengthen the National System of Protected Areas ("SINAP" Sistema Nacional de Areas Protegidas). Thus, the process of registering a civil society reserve in the Municipality of Paz de Ariporo was initiated and the details are described below:

Registration of the land named: "El Esparramo" as a Civil Society Reserve (regulated by Decree 1996 of 1999): Parex, in the pursuit of its environmental commitments, financially and technically supported the process of drafting documents and managing



TITÍ MONKEY
LLANOS 32 BLOCK
CASANARE - COLOMBIA

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

the registration of 72.7 hectares that will become part of the SINAP and that will strengthen the social scene and the reserve network of the civil society in the Municipality of Paz de Ariporo.

In terms of the conservation and knowledge of fauna, Parex formed an association agreement with the Universidad Pedagógica y Tecnológica de Colombia (UPTC) to carry out the "Characterization of population aspects and habitat use in relation to existing ecosystems, for Ateles hybridus, Crax alberti and Chelonoidis carbonarius, as key information to formulate a monitoring program for these species in the Regional Natural Park: Serranía de Las Quinchas". This work enabled the promotion

of community participation by connecting local researchers who develop apprenticeship activities, awareness-raising processes and training workshops.

The fauna component is important in the licensing processes and when obtaining permits for the use of natural resources. Parex continues to take feedback from the available information on threatened or vulnerable species, in national and international categories, which is identified in the filed phase of each of the territories of operational influence. The following tables summarize the information on vulnerable species categorized by region:

MIDDLE MAGDALENA REGION

THREAT CATEGORY				
ORDER	FAMILY	SPECIES	Resolution 1912 from 2017	UICN
Anura	Leptodactylidae	Pleuroderma brachyops		LC
Anura	Dendrobatidae	Dendrobates truncatus	LC	-
Caudata	Plethodontidae	Bolitoglossa lozanoi	DD	VU
Squamata	Boidae	Boa constrictor		LC
Squamata	Colubridae	enuliophis sclateri		LC
Squamata	Iguanidae	Iguana iguana	LC	-
Chiroptera	Phyllostomidae	Carollia brevicauda		LC
Primates	Aotidae	Aotus griseimembra	VU	VU
Galliformes	Cracidae	Ortalis Colombiana		LC
Fabales	Fabacea	Mimosa pudica		LC

Codes: Critical Hazard (CR), Endangered (EN), Vulnerable (VU), Near Threatened (NT), Minor Concern (LC)

■ GRI 304-4
■ SASB EM-EP-160a.3

ORINOQUIA REGION

THREAT CATEGORY				
ORDER	FAMILY	SPECIES	Resolution 1912 from 2017	UICN
Anura	Leptodactylidae	Pleuroderma brachyops		LC
Crocodylia	Crocodylidae	Caiman crocodilus		LC
Squamata	Boidae	Boa constrictor		LC
Chiroptera	Phyllostomidae	Carollia brevicauda		LC
Primates	Aotidae	Aotus lemurinus	LC	VU
Primates	Aotidae	Aotus vociferans		LC
Rodentia	Cricetidae	Chilomys instans		LC
Carnivora	Felidae	Panthera onca	VU	NT
Columbiformes	Columbidae	Patagioenas subvinacea		VU
Fabales	Fabacea	Mimosa pudica		LC

Codes: Critical Hazard (CR), Endangered (EN), Vulnerable (VU), Near Threatened (NT), Minor Concern (LC)

REGION OF THE LOWER MAGDALENA VALLEY

THREAT CATEGORY				
ORDER	FAMILY	SPECIES	Resolution 1912 from 2017	UICN
Anura	Leptodactylidae	Pleuroderma brachyops		LC
Crocodylia	Crocodylidae	Caiman crocodilus		LC
Squamata	Boidae	Boa constrictor		LC
Chiroptera	Phyllostomidae	Carollia brevicauda		LC

Codes: Critical Hazard (CR), Endangered (EN), Vulnerable (VU), Near Threatened (NT), Minor Concern (LC)

“SABANERA” TURTLES

MAIN SYMBOL OF BIODIVERSITY IN CASANARE

GRI 304-3

SASB EM-EP-160a.1

For three consecutive years, Parex has been promoting an initiative to repopulate the bodies of water in Casanare with sabanera turtles (Podocnemis expansa and Podocnemis unifilis) as well as educating the children of the department in the protection work of this threatened species; more than a thousand turtles have been cared for and subsequently released during that period.

In 2019, 360 of these specimens were released in the Forest Reserve: “La Esperanza”, located in the municipality of Paz de Ariporo (Casanare). To deepen the commitment to this project, Parex organized “La Travesía Sabanera”, an event that brought together more than 250 people, who cycled through the Reserve and got to see first-hand, the benefit of such initiatives for the conservation of ecosystems and biodiversity.



SABANERA TURTLE
CASANARE - COLOMBIA



GRI 304-3

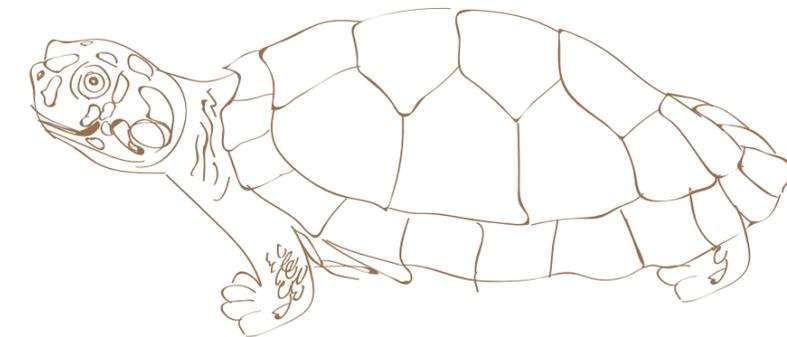
SASB EM-EP-160a.1

Libia Parales, a representative of the Nature Reserve “La Esperanza”, who has been actively involved in the process, also went on the journey and said: “Cyclists from different parts of the country enjoyed a beautiful landscape, a natural environment and an ecosystem unique in the world of flooded savannahs; it was a wonderful experience, they were able to see birds, capybaras, deer and other species native to this region”.



This activity was accompanied by the launching of the publication: “El Galápagos Sabanero”, which was sponsored by the Company; the edition and distribution of more than 500 books was held in the communities of the municipality of Yopal, Casanare.

SINCE 2009 MORE THAN A
1,000 TURTLES
HAVE BEEN CARED
FOR AND SUBSEQUENTLY RELEASED.



SOCIAL PERFORMANCE WITH SUSTAINABILITY CRITERIA

HUMAN RIGHTS



■ GRI 103-1
■ SASB EM-EP-210a.3

Respect for and promotion of human rights is an important issue for Parex, for this reason, the company's decisions not only prioritize life and the well-being of people, but also care for the environment. It is an explicit commitment both in Parex' Code of Conduct, as well as in its Corporate Human Rights Policy that also extends to its entire value chain.

Corporate accountability of human rights is increasingly a relevant issue to those who take business conduct into account as the basis for decision-making. In the case of Parex, it refers to the company's stakeholders which include employees, contractors and suppliers, communities, partners, shareholders and investors, authorities, civil society and the media. In this

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

sense, Parex understands that its business prospects are linked to its ability to demonstrate ethical and transparent management in social, environmental and work-related matters.

For the development of all its operations and taking into account the items described above, Parex adheres to national and international legislation and to the policies of the Colombian government as well as to the agreements and treaties upheld by the country with regards to the protection and respect of human rights.

In 2019, the Company issued its corporate policy on Human Rights which includes all employees and extends to suppliers and contractors. The corporate policy can be viewed at the following web address:

https://parexresources.metrio.net/indicators/social/human_rights/human_rights

During 2019, the Corporate Human Rights Policy was shared and made available to all employees; 87% of employees participated in the Company's training program developed on the issue and completed an evaluation. Since the evaluation was distributed at the end of 2019, some employees submitted theirs in early 2020 and 1% of employees could complete it because they were on paid leave. Parex designed this tool to verify the level of understanding of the matters and guidelines contained in the policy. The Company's Board of Directors also took part in the process, and a vast majority of its members completed the evaluation.

100% of the employees of the Security department of the Company participated in the socialization and evaluation of the Corporate Policy on Human Rights.

In addition, the Company supports sector initiatives aimed at promoting best practices relative to human rights. During 2019, Parex participated, along with other operators, in the activities led by state entities such as the Presidential Ministry for Human Rights and International Affairs, the Ministry of Mines and Energy, the National Hydrocarbons Agency (ANH); as well as trade unions, such as the Colombian Petroleum Association (ACP) and the Colombian Chamber of Petroleum, Gas and Energy Goods and Services (CAMPETROL). These activities are aimed at the creation and implementation of a Human Rights Group to generate sectoral actions articulated on this front.

To ensure effectiveness in risk management, prior to its entry into any territory, the Company conducts social and environmental assessments in which it is possible to identify issues related to Human Rights. Environmental analyses are also performed, including the identification of socio-political risks which allow the Company to define its intervention plan within the framework of the law and best practices.

*In the GRI 412-2 indicator for employee training on human right policies and procedures, the items referred to in point 'a' are omitted since they refer to the hours devoted to training. The system in which the exercise of socialization and evaluation of the Human Rights Policy took place does not record the total time spent by each user on the exercise. Parex is adjusting its system in order to comply with the indicator in 2020.

(0) ZERO
COMPLAINTS RELATED
TO THE POSSIBLE VIOLATION OF
HUMAN RIGHTS
IN 2019

PRACTICES IN THE WORKPLACE

COMMITTED AND SUITABLE EMPLOYEES

GRI 102-8, GRI405-1

Thanks to its talented and committed team, Parex has managed to meet its business objectives in Colombia. The Company gives special importance to the management of human capital; not only ensuring respect for regulations, but also adopting best work practices. Parex understands that the success of the business is directly linked to its ability to attract, develop, motivate and retain its employees; therefore, the Company has strategies and tools in place that have allowed Parex to attract a highly suitable group of in-house staff, with a sense of belonging, and that is committed to the achievement of corporate objectives.

PParex is a company that believes in gender equality and works to ensure equal opportunities

for men and women in the selection, promotion and training processes. Currently, the level of women hired by the Company is within the same range of other companies in the hydrocarbons sector in Colombia and has remained consistent over the past three years.

As of December 31, 2019, Parex' in-house staff consisted of 339 direct employees; 44 who worked at offices in Calgary, Canada, and 295 who worked at offices in Bogota and other areas of operation in Colombia; all employees had indefinite and full-time contracts. All the data reported below was calculated based the Company's in-house staff at the end of the year.



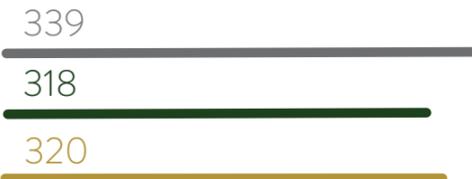
GAS FIELD
CASANARE - COLOMBIA

GRI 102-8, GRI 401-1, GRI 401-3, GRI 405-1

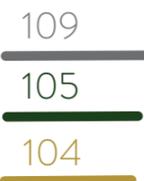
DIRECT EMPLOYEES BY GENDER CANADA AND COLOMBIA

2019 2018 2017

TOTAL DIRECT EMPLOYEES



TOTAL FEMALE DIRECT EMPLOYEES



TOTAL MALE DIRECT EMPLOYEES



EMPLOYEES BY AGE IN CANADA AND COLOMBIA

2019

UNDER 30



AGES 31 TO 50



AGES 51 AND OLDER



During 2019, 39 new employees were hired in response to Parex' growing operations; especially in the sectors of exploration, production and the commercialisation of hydrocarbons.

NEW HIRES CANADA AND COLOMBIA

2019

TOTAL NEW HIRES



TOTAL NEW HIRES (WOMEN)



TOTAL NEW HIRES (MEN)



The turnover rate in 2019 was 5.31%, up from 4.09% the previous year. This was a result of the Company not approving contracts having placed some of its assets for sale in the second half of 2018. At the beginning of 2019, the sale was suspended, and the hiring of required staff was reactivated to respond to new growth challenges in Colombia.

Given the nature of its activities and for the execution of specific tasks, Parex counted on the support of temporary employees. During 2019, 18 such hires were made; 10 in Canada and 8 in Colombia.

In 2019, Parex granted parental leave, which is contemplated under the law, to 10 employees, 7 of which were women and 3 men. They all returned at end of their leave and continued being employees 12 months later. This shows that human talent enjoys stability in the Company and can achieve a balance between personal and professional life.

■ GRI404-1, GRI 404-2

SELECTION PROCESSES

Parex has a standardized employee selection process. Candidates must pass certain stages such as: recruitment, preselection, interviews, evaluation and a security check, ensuring a level playing field to participate in the process. At the end, the most suitable candidate for the position is selected based on the profile the Company requires. The effectiveness of the selection process is measured not only with the coverage of vacant positions, but with staff turnover and performance assessment.



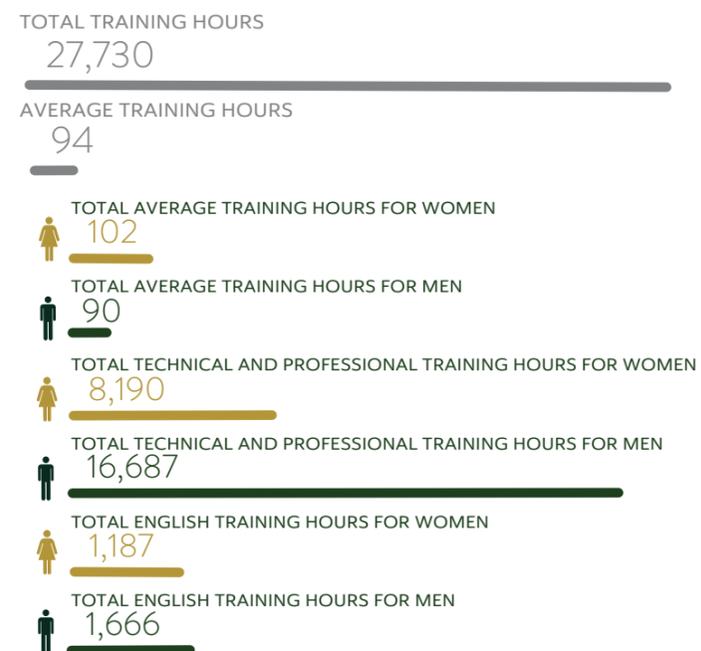
TRAINING AND DEVELOPMENT

The Company has a Training and Development Policy and Procedures focused on strengthening knowledge, skills, abilities and languages. Based on the identification of needs, a training plan focused on the integral development of employees is also designed and implemented.

The Company offers training programs required for the job position and others that are of voluntary enrollment. Parex performs satisfaction, knowledge and/or knowledge transfer assessments of the advanced training processes, in order to measure their effectiveness.

During 2019, 18 training programs for the development of organizational competencies (Soft Skills) were completed. The programs focused on teamwork, goal emphasis, change adaptability, sense of urgency, leadership, communication and capability of analysis, as well as decision making and strategic planning.

TRAINING HOURS FOR EMPLOYEES IN COLOMBIA 2019



PROFESSIONAL DEVELOPMENT AND PERFORMANCE EVALUATION

■ GRI 404-3

The Company has a structure defined by professional levels⁴ which are established according to the training, experience, knowledge and skills required. Within the framework of the Corporate Training Plan and taking into account the needs identified in the organizational structure, every year, career development opportunities are analyzed; this

allows employees who meet the requirements of a level to access job promotions. The appointment of employees to new positions is linked to the result of the performance assessment that is completed annually.

IN 2019 **100%**
OF EMPLOYEES DEFINED
THEIR PERFORMANCE OBJECTIVES AND WERE EVALUATED

INVESTMENT IN TRAINING AND PROFESSIONAL DEVELOPMENT IN 2019 AMOUNTED TO A COP \$1,279 MILLION (USD \$390,000)



⁴ See on page 77.

COMPENSATION AND BENEFITS

■ GRI 401-2

Parex understands that the needs of its employees are diverse and that is why the Company has created a benefit plan that contributes to their personal well-being. Each employee can choose a benefit portfolio according to their particular needs or preferences. The plan is based on the Benefit Plan Policy and Procedure, which is disclosed to all employees and posted on intranet, ensuring that it can be looked up in case of concerns.

The Company also grants an Annual Bonus which is linked to the performance evaluation of each employee and the results of the business, as well as the long-term Incentive Program, that in both cases apply to 100% of the direct employees.

WAGES AND BENEFITS

2019 2018 2017

WAGES AND BENEFITS,
INCLUDING LONG-TERM INCENTIVES*

COP \$192,435 million
USD \$ 58.65 million

COP \$ 158,968 million
USD \$48.45 million

COP \$186,858 million
USD \$56.95 million

*Restatement of information: In previous sustainability reports, Parex did not include the long-term incentive benefit, to which employees are entitled. Data for 2017 and 2018 was adjusted to make it comparable to 2019, which includes this value.

TRAINING

BOGOTÁ- COLOMBIA



“SENA” APPRENTICES AND UNIVERSITY TRAINEES

With the commitment to strengthen the integral educational process of young people, in order to promote their competitiveness and comply with Colombian regulations, during 2019, Parex hired a total of 23 apprentices from the National Learning Service (“SENA” Servicio Nacional de Aprendizaje), as well as five university students to complete their apprenticeship.

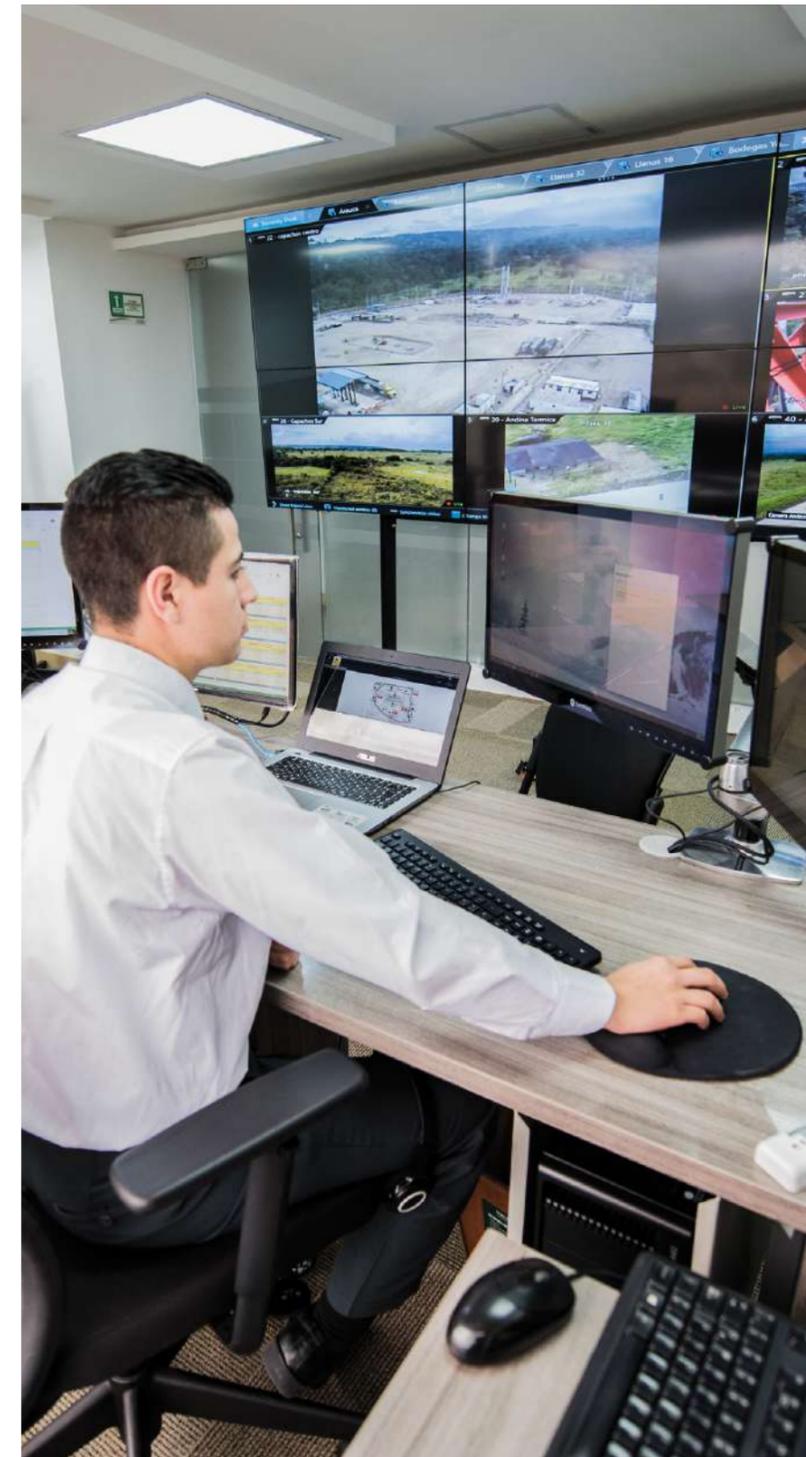
Students, hired by the Company through the Learning Contract, in addition to receiving the benefits contemplated by Colombian regulations, also have the opportunity to access English classes, participate in wellness activities and take part in other initiatives organized by the Company.

EMPLOYEE RELATIONS COMMITTEE

The Employee Relations Committee aims to generate a good atmosphere among Parex’ employees, promoting positive relationships and continuous improvement of the work environment. During 2019, the Company promoted activities that fostered teamwork, integration, innovation and good communication in Bogota and in the Field. In addition, spaces were created to develop social, cultural and sports activities in Bogota (“Cafetería Urbana” - Urban Cafeteria).

INFORMATION TECHNOLOGIES

The Company adopts different technology tools for information, collaboration and communication that allow the optimization of resources, increased productivity of the work-teams, real-time information for decision making and the proper assurance of information. Likewise, Parex is constantly under digital transformation to include low energy consumption tools and services in the cloud in order to contribute to the Company's sustainability goals.



JOB GUARANTEES IN THE AREAS OF OPERATION

In order to achieve the Company's legal assurance, as well as to ensure the adoption of its corporate policies and respect for the fundamental rights of workers, Parex completes socio-occupational audits for contractors and subcontractors in the areas of operation. In addition to being an effective mechanism for verifying compliance with current labor regulations, the audits are also a key tool to strengthen the companies that support the organization's activities and deepen the bonds of trust with this important interest group.

Recognition of working rights, rigorous compliance of contracts, fair and timely wages and social insurance affiliation of workers and their immediate family are fundamental aspects of the audit framework promoted by Parex.

The condition of equal access to job openings is another factor that the Company wants to ensure; for this reason, Parex requires that the hiring process of all workers and contractors be conducted through the government platform of the Public Employment

VERIFICATION OF COMPLIANCE WITH WORK REGULATIONS

- LEGAL SECURITY
- PERMANENT LEGAL SUPPORT
- INCIDENT PREVENTION
- ASSURANCE OF TIMELY PAYMENTS

GRI 414-1

Service, through which the local workforce is prioritized and any possibility of employment mediation that could harm other applicants is eliminated.

Parex verifies that all workers have a decent job that allows them to develop their activities in a proper way, that they do not suffer any type of discrimination or harassment and that they have the right conditions to carry out their work (provisions, infrastructure, restaurant, work tools, etc.).

The audit process for contractors and subcontractors has two essential components: on the one hand, the verification of compliance with work regulations and, on the other, a plan of companionship and permanent support. To meet the demands on both fronts, the Company has experienced professionals in the area of operations who constantly and directly engage with contractors and subcontractors. This relationship, beyond ensuring legal compliance, aims to strengthen local businesses to become highly competitive in the market and to contribute to the sustainable development of the regions.

SUPPORT AND UPDATE ON WORK RELATED MATTERS

- UPDATE OF CURRENT REGULATIONS
- ADDRESSING OF CONCERNS
- PRACTICAL APPLICATION
- DEVELOPMENT OF BUSINESS SKILLS



GRI 102-41, GRI 406-1, GRI 407-1, GRI 408-1, GRI 409-1

Once each stage of the audit is completed, a report is prepared and delivered to the contract manager for their knowledge and handling with the contractor. In the event of non-conformities are found, a reasonable period is established for them to be corrected and formally close the report.

During 2019, 130 audits were completed on Parex' contractors and subcontractors in work related matters. Nearly 370 non-conformities were identified and corrected in the process which functions not only as a legal preventive element for the operator and their third parties, but it also especially translates into learning and continuous improvement of local companies over time so they can carry out their economic activity in a correct and sustainable way.

IN 2019 **130** AUDITS
AND AROUND
65 TRAINING SESSIONS
IN LABOUR MATTERS WERE CONDUCTED FOR
**PAREX' CONTRACTORS AND
SUBCONTRACTORS.**

Parex has not identified operations or suppliers at risk of having cases of child labour, forced or compulsory labour. Nor has it identified in its operations, or in its suppliers, any possible risks of infringement of the right to freedom of association and collective negotiation. The Company does not have unionized employees, but it makes explicit its commitment to the respect for national and international legislation in this regard, which includes all its contractors and suppliers through the contractual annexes.

IN
2019 **ZERO (0)**
CASES OF EMPLOYMENT
DISCRIMINATION
AND/OR HARASSMENT



WORK OVER
CASANARE - COLOMBIA

WORK OVER
CASANARE - COLOMBIA

GENDER EQUALITY



LISA COLNETT

Member of the Compensation and Human Resources Committee and of the HSE and Reserves Committee.

GRI 405-1

Parex' Board of Directors is committed to promoting gender equality and is responsible for creating standards and guidelines to ensure it is met in all corporate processes. The Company understands its role in the development of a more equitable society, for this reason, it promotes a culture of inclusion, diversity and equality not only within the organization, but also in the communities of the area of influence of its operations, where Parex develops social investment projects that promote the participation and empowerment of women and their access to employment opportunities, among others.

Lisa Colnett has been a member of Parex' top governing body since 2015 and is a member of the Company's Compensation Committee, Human Resources, HSE and the Reserves Committee. She has held important executive positions, specifically as Senior Vice President in the area of Human Resources, Information and Technology at renowned multinational companies in Canada.

Parex' senior management firmly believes in the importance of managing human resources with a gender approach, reducing or eliminating gaps that

could exist between men and women within the organization and preventing any form of discrimination. "Gathering, understanding and integrating different visions contributes to improving the Company's decision-making process. In addition, research shows that a gender-diverse leadership team can improve a company's financial performance."

According to Lisa Colnett, this diversity that characterizes Parex' human talent in Colombia is reflected in a significant and positive way, both in the operations, as well as in the relationships that the Company has built with the communities where it operates and with their stakeholders.

"Parex's Board of Directors works to identify opportunities and continue to promote gender equality in the organization, for example, through succession planning and talent development. In addition, the Company's new Development and Leadership program includes curricular elements that strengthen leaders in the management of diverse teams".

PAREX UNDERSTANDS ITS ROLE IN THE DEVELOPMENT OF A MORE EQUITABLE SOCIETY.

OTHER PAREX WORKPLACE INDICATORS

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

II INFORMATION ABOUT EMPLOYEES AND OTHER WORKERS

TOTAL DIRECT EMPLOYEES IN COLOMBIA + CANADA	339
TOTAL DIRECT FEMALE EMPLOYEES IN COLOMBIA + CANADA	109
TOTAL DIRECT MALE EMPLOYEES IN COLOMBIA + CANADA	230
TOTAL DIRECT EMPLOYEES IN COLOMBIA	295
TOTAL DIRECT EMPLOYEES IN CANADA	44
TOTAL DIRECT FEMALE EMPLOYEES IN COLOMBIA	92
TOTAL DIRECT MALE EMPLOYEES IN COLOMBIA	203
TOTAL DIRECT FEMALE EMPLOYEES IN CANADA	17
TOTAL DIRECT MALE EMPLOYEES IN CANADA	27
TOTAL TEMPORARY EMPLOYEES IN COLOMBIA + CANADA	18
TOTAL TEMPORARY EMPLOYEES IN COLOMBIA	10
TOTAL TEMPORARY EMPLOYEES IN CANADA	8
TEMPORARY FEMALE EMPLOYEES IN CANADA + COLOMBIA	8
TEMPORARY MALE EMPLOYEES IN CANADA + COLOMBIA	10
TEMPORARY FEMALE EMPLOYEES IN COLOMBIA	5
TEMPORARY MALE EMPLOYEES IN COLOMBIA	5
TEMPORARY FEMALE EMPLOYEES IN CANADA	3
TEMPORARY MALE EMPLOYEES IN CANADA	5
DIRECT EMPLOYEES IN BOGOTA	220
DIRECT EMPLOYEES IN YOPAL	54
DIRECT EMPLOYEES IN BARRANCA	15
DIRECT EMPLOYEES IN TAME	6
TEMPORARY EMPLOYEES IN BOGOTA	9
TEMPORARY EMPLOYEES IN YOPAL	0
TEMPORARY EMPLOYEES IN BARRANCA	1
TEMPORARY EMPLOYEES IN TAME	0
TOTAL DIRECT EMPLOYEES WITH INDEFINITE TERM CONTRACT IN CANADA + COLOMBIA	100%
DIRECT EMPLOYEES WITH INDEFINITE TERM CONTRACT IN COLOMBIA	100%
DIRECT EMPLOYEES WITH INDEFINITE TERM CONTRACT IN CANADA	100%
NUMBER OF EMPLOYEES UNDER THE AGE OF 30 IN CANADA + COLOMBIA	53
NUMBER OF EMPLOYEES BETWEEN 31 AND 50 YEARS OF AGE IN CANADA + COLOMBIA	247
NUMBER OF EMPLOYEES OVER 51 YEARS OF AGE IN CANADA + COLOMBIA	39
NUMBER OF EMPLOYEES UNDER THE AGE OF 30 IN COLOMBIA	51
NUMBER OF EMPLOYEES BETWEEN 31 AND 50 YEARS OF AGE IN COLOMBIA	216
NUMBER OF EMPLOYEES OVER 51 YEARS OF AGE IN COLOMBIA	28
NUMBER OF EMPLOYEES UNDER THE AGE OF 30 IN CANADA	2
NUMBER OF EMPLOYEES BETWEEN 31 AND 50 YEARS OF AGE IN CANADA	31
NUMBER OF EMPLOYEES OVER 51 YEARS OF AGE IN CANADA	11
RATIO OF SENIOR EXECUTIVES HIRED FROM THE LOCAL* COMMUNITY*	0
WOMEN ON MATERNITY LEAVE IN COLOMBIA AND CANADA	7
MEN ON PATERNITY LEAVE IN COLOMBIA AND CANADA	3
FEMALE EMPLOYEES WHO HAVE RETURNED AFTER PARENTAL LEAVE IN 2019	7
MALE EMPLOYEES WHO HAVE RETURNED AFTER PARENTAL LEAVE IN 2019	3
MALE EMPLOYEES WHO HAVE RETURNED TO WORK AFTER PARENTAL LEAVE AND ARE STILL EMPLOYED 12 MONTHS LATER	3
FEMALE EMPLOYEES WHO HAVE RETURNED TO WORK AFTER PARENTAL LEAVE AND ARE STILL EMPLOYED 12 MONTHS LATER	7
MALE EMPLOYEES WHO HAVE RETURNED TO WORK AFTER PARENTAL LEAVE	100%
FEMALE EMPLOYEES WHO HAVE RETURNED TO WORK AFTER PARENTAL LEAVE	100%

RECRUITMENT OF NEW EMPLOYEES AND STAFF TURNOVER

TOTAL NEW HIRES FOR THE YEAR IN CANADA + COLOMBIA	39
TOTAL NEW HIRES OF FEMALE EMPLOYEES IN CANADA + COLOMBIA	13
TOTAL NEW HIRES OF MALE EMPLOYEES IN CANADA + COLOMBIA	26
TOTAL NEW HIRES OF PEOPLE UNDER THE AGE OF 30 IN CANADA + COLOMBIA	12
TOTAL NEW HIRES OF PEOPLE BETWEEN 31 AND 50 YEARS OF AGE IN CANADA + COLOMBIA	26
TOTAL NEW HIRES OF PEOPLE OVER 51 YEARS OF AGE IN CANADA + COLOMBIA	1
TOTAL NEW HIRES FOR THE YEAR IN COLOMBIA	34
NEW HIRES OF FEMALE EMPLOYEES IN COLOMBIA	12
NEW HIRES OF MALE EMPLOYEES IN COLOMBIA	22
NEW HIRES OF PEOPLE UNDER 30 YEARS OF AGE IN COLOMBIA	12
NEW HIRES OF PEOPLE BETWEEN 31 AND 50 YEARS OF AGE IN COLOMBIA	21
NEW HIRES OF PEOPLE OVER 51 YEARS OF AGE IN COLOMBIA	1
NUMBER AND INDEX OF NEW HIRES IN BOGOTA	9.8% 29
NUMBER AND INDEX OF NEW HIRES IN YOPAL	0.7% 2
NUMBER AND INDEX OF NEW HIRES IN BARRANCA	0.7% 2
NUMBER AND INDEX OF NEW HIRES IN TAME	0.3% 1
TOTAL NEW HIRES FOR THE YEAR IN CANADA	5
NEW HIRES OF MALE EMPLOYEES IN CANADA	4
NEW HIRES OF FEMALE EMPLOYEES IN CANADA	1
NEW HIRES OF PEOPLE UNDER 30 YEARS OF AGE IN CANADA	0
NEW HIRES OF PEOPLE BETWEEN 31 AND 50 YEARS OF AGE IN CANADA	5
NEW HIRES OF PEOPLE OVER 51 YEARS OF AGE IN CANADA	0
NUMBER OF EMPLOYEES NO LONGER WORKING FOR THE COMPANY IN COLOMBIA	16
NUMBER OF FEMALE EMPLOYEES NO LONGER WORKING FOR THE COMPANY IN COLOMBIA	8
NUMBER OF MALE EMPLOYEES NO LONGER WORKING FOR THE COMPANY IN COLOMBIA	8
NUMBER OF EMPLOYEES NO LONGER WORKING FOR THE COMPANY IN BOGOTA	11
NUMBER OF EMPLOYEES NO LONGER WORKING FOR THE COMPANY IN YOPAL	4
NUMBER OF EMPLOYEES NO LONGER WORKING FOR THE COMPANY IN BARRANCA	1
NUMBER OF EMPLOYEES NO LONGER WORKING FOR THE COMPANY IN TAME	0
NUMBER OF EMPLOYEES NO LONGER WORKING FOR THE COMPANY UNDER THE AGE OF 30	0
NUMBER OF EMPLOYEES NO LONGER WORKING FOR THE COMPANY BETWEEN THE AGE OF 31 AND 50 YEARS OF AGE	16
NUMBER OF EMPLOYEES NO LONGER WORKING FOR THE COMPANY OVER 50 YEARS OF AGE	0
STAFF TURNOVER RATE IN CANADA + COLOMBIA	5,31
STAFF TURNOVER RATE IN COLOMBIA	5,42
STAFF TURNOVER RATE IN CANADA	5

NUMBER OF EMPLOYEES BY JOB CATEGORY IN COLOMBIA + CANADA

TOTAL NUMBER OF EMPLOYEES AT THE ADMINISTRATIVE LEVEL	27
TOTAL NUMBER OF EMPLOYEES AT THE PROFESSIONAL LEVEL	109
TOTAL NUMBER OF EMPLOYEES AT THE JUNIOR PROFESSIONAL LEVEL	22
TOTAL NUMBER OF EMPLOYEES AT THE JUNIOR TECHNICAL PROFESSIONAL LEVEL	21
TOTAL NUMBER OF EMPLOYEES AT THE LEADING LEVEL	17
TOTAL NUMBER OF EMPLOYEES AT THE MANAGEMENT LEVEL	23
TOTAL NUMBER OF EMPLOYEES AT THE SENIOR MANAGEMENT LEVEL	1
TOTAL NUMBER OF EMPLOYEES AT THE SENIOR PROFESSIONAL LEVEL	31
TOTAL NUMBER OF EMPLOYEES AT THE SENIOR TECHNICAL PROFESSIONAL LEVEL	28
TOTAL NUMBER OF EMPLOYEES AT THE TECHNICAL PROFESSIONAL LEVEL	48
TOTAL NUMBER OF EMPLOYEES AT THE VICE PRESIDENT LEVEL	4
TOTAL NUMBER OF EMPLOYEES AT THE SENIOR VICE PRESIDENT LEVEL	6
TOTAL NUMBER OF EMPLOYEES AT THE CEO & PRESIDENT LEVEL	2

*For Parex, the "Officer" category corresponds to the CEO and the President. In addition, in this specific indicator, "local" refers to Colombia and not to the area of influence of the operations.

HEALTH AND SAFETY AT WORK

RESPONSIBILITY AND LEADERSHIP



RUMBA FIELD
CASANARE - COLOMBIA

■ GRI 103-1, GRI 103-2, GRI 103-3, GRI 403-1, GRI 403-2, GRI 403-7, GRI 403-8
■ SASB EM-EP-320a.2

The human resource is Parex' greatest asset; therefore, the Health and Safety of the company's employees and contractors is a material issue of high relevance. The Company seeks to make all its employees aware of the risk of the activities they perform and to be responsible for their behaviour, in order to reduce the occurrence of injuries and prevent diseases.

The management team is responsible for complying with policies and with Health, Safety and Environmental programs, consolidating their leadership through management systems. This group meets monthly to review the key performance indicators and, based on which, it monitors the compliance of relevant standards, provisions and

policies; and takes corrective action as deemed necessary to manage risks.

Parex' Occupational Safety and Health Management System is rigorously compliant with national legislation; it is guided by Colombian technical standards NTC-OSHAS 18001 and NTC-ISO 45001 from 2018 (in transition). This system covers 100% of the direct employees, the contractor workers and, in general, the stakeholders as identified by the Company. At the end of 2019, Parex had 339 total employees (Colombia and Canada) and the monthly average number of workers from contractor companies increased to 6,113, a 28.4% increase over 2018.

■ GRI 403-4, GRI 403-9
■ SASB EM-EP-320a.1 - SASB EM-EP-540a.2

TOTAL RECORDABLE INCIDENT FREQUENCY (TRIF)

2019 2018 2017

1,11 (TRIF)

1,73 (TRIF)

2,56 (TRIF)

LOSS TIME INJURY FREQUENCY (LTIF)

2019 2018 2017

0,27 LTIF

0,43 LTIF

0,59 LTIF

FREQUENCY OF MOTOR VEHICLE ACCIDENTS

2019 2018 2017

0,13 MVA

0,53 MVA

1,02 MVA

LTIF = # total LTI + FAT *10⁶
MAN-HOURS WORKED

TRIF = # TRI *10⁶
MAN-HOURS WORKED

MVA = # MVA REGISTERED *10⁶
TOTAL # OF KILOMETERS TRAVELLED

The Prevention, Preparedness and Emergency Response Plan is a fundamental part of the company's Management System, consisting of a macro plan and a series of worksheets from the Company's permanent headquarters. It identifies any threats that may affect the health and safety of people, the environment or the Company's assets, and takes the necessary steps to prevent their occurrence. In the event of an emergency, an organizational and operational scheme has been drafted which facilitates a rapid and effective response within the framework of current legal provisions.

Health and safety management in Parex is structured as follows:

- **Continuous risk assessment:** through this procedure, the hazards that may arise in the development of routine and non-routine activities are permanently identified at all levels of the Organization; necessary control measures are assessed and adopted.

- **Accident performance analysis:** based on a series of performance indicators, (lagging indicators), the Company evaluates the progress of its accident prevention strategies and makes appropriate improvement decisions.

Parex has shown significant progress in safety performance by reducing the Total Recordable Incident Frequency (TRIF) and the Loss Time Injury Frequency (LTIF) to less than half of what was recorded two years ago. Between 2017 and 2019, the frequency of Motor Vehicle Accidents (MVA) was reduced by one-eighth.

In 2019, there were eight recordable work accidents with injuries in Parex operations involving contractors, and zero (0) involving employees. This represents a 1.22 rate for contractors. One of the accidents had serious consequences (in hands), which is equivalent to a rate of work-related injuries with serious consequences of 0.15. Both rates were calculated for one million hours worked.

■ GRI 403-4, GRI 403-9

■ SASB EM-EP-320a.2

Parex classifies safety hazards as associated to physical, chemical, biological, biomechanical, social, psychological, and natural phenomena. The accident reported here occurred in 2019. Worker safety was compromised resulting in "mechanical" injury. The principal measures taken by the Company to eliminate said hazard and to minimize associated risks included strict administrative oversight (behavior-based safety and implementation of the Mentor Plan); control over personal protection equipment (impact-resistant gloves); preoperational meetings and risk analysis; as well as awareness campaigns concerning change management procedures.

It must be noted that employees worked 653,065 hours in total in 2019, while the hours worked by contractors amounted to 6,578,790.

- **Hazard identification and risk assessment matrix – “MIPER”** Matriz de identificación de peligros y evaluación de riesgos): is a participatory process through which workers identify and evaluate the safety risks associated with their activities in meetings that prior to each work shift.

- **Report, stop, correct** The scheduling of the work to be performed is completed by areas. Based on this programming, with the active participation of field supervisors and workers, a continuous discussion of the risks associated with the development of tasks is encouraged. In the event an activity cannot be performed safely, or if it is observed that the controls required for safe completion have not been defined, such activity can be stopped. In the event a worker wants to withdraw from work situations when he/she considers that they may cause injury, he/she has the authority to stop work as defined in the **SBC Security Operations System Program SOS**. The Company continually strives to cultivate a culture of safety and generate operational discipline among its workers.

- **Behaviour-Based Security System Program – Security Operations System - SOS Cards:** the program aims to multiply observation reports and identify risks and unsafe conditions in the workplace to optimize improvement opportunities and implement the controls required to prevent risks, consolidating safer and healthier workplaces.

In 2019, 36,308 SOS cards were issued, 87% of which were requested by employees from Parex’ contractor companies. 84% of the cards were issued in the first five (5) days after delivery of the corresponding reports, 6% between 6 and 25 days and the remaining 10% in more than 26 days.

- **Mentor Plan:** is designed to prevent accidents of community personnel working for the Company. Parex’ direct employees assume the role of mentors for these workers to facilitate the understanding of risks and the adoption of safe practices.

- **Management of safety inspections:** all Parex’ Managers take a leading role in supervising health and safety in their respective areas. Each mis present in the field to review the fulfillment of goals and take the necessary corrective measures. On a monthly basis, during the Key Performance Indicators (KPI) meeting, each area’s progress is assessed to monitor and control its objectives.

- **Corrective and preventive measures; improvement opportunities** are procedures by which the actions required to mitigate the consequences of incidents and non-conformities are designed and implemented, including the adoption of improvement opportunities. The effectiveness of these actions is confirmed by those responsible for each area, thus completing the assurance cycle.

- **HS Annual Recognition:** is a space created in 2018, with the goal of recognizing the work, commitment, good practices and effective management of the contractor companies working with the Company’s different areas of operations in terms of industrial safety.

SAFE TRANSPORTATION “MEJORANDO-ANDO” PROGRAM



■ SASB EM-EP-320a.2

Parex has consistently reduced its road safety indicators over the last three years. For 2019, the Motor Vehicle Accident (MVA) Frequency, measured by one million kilometers traveled, reached 0.13, less than half of that recorded in the previous year (0.27).

This result was achieved thanks to the implementation of the “Mejorando-ando” program, a program structured by the Company in 2017, through which, unsafe driving habits, as well as other risk factors, are identified in order to prevent accidents on the road. Parex continued to work to improve driving practices and control speed, two factors identified as causing the most accidents. Similarly, health and safety risk factors associated with transportation were identified and inspections for enlisting operating vehicles were strengthened.

Reduction of speed: in agreement with transportation companies, Parex strived to make visible the risks that truck drivers assumed when exceeding permitted speed. By continuously monitoring the speed of vehicles, it was possible to establish an indicator to measure the number of speeding cases per 1,000 kms traveled. At the beginning of the program, the indicator recorded more than 20 speeding instances, and from that moment on, a clear declining trend was seen, closing 2019 with less than 1 speeding case for every 1,000 kms traveled.

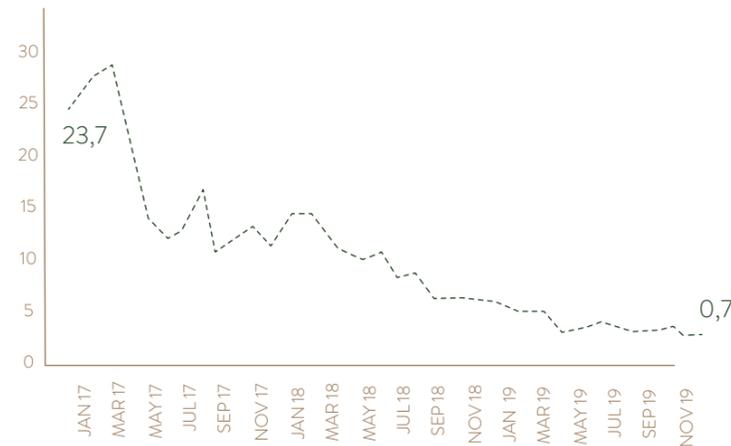
Annual HSE audits: each year, Parex assesses the health and safety performance of road transportation companies. The Company establishes a scoring system that contractors must exceed to be able to provide service.

■ GRI 103-3, GRI 403-2
■ SASB EM-EP-320a.2

In 2019, the average result of the audits completed yielded 78 points out of 100 possible points for all the companies evaluated; seven were above the average result of 2018 and 4 on the target set for the year covered on this report. There is a clear trend of progress in the performance of all contractor companies, this pleases Parex since these are regional companies that manage to position themselves at the level of the large national companies in the industry.

The results of this initiative from Parex were highlighted in 2019 by the insurance company "SURA" resulting in the SURA Award for Safe and Sustainable Mobility.

NUMBER OF SPEEDING CASES X 1000 KMS



HEALTH, A PILLAR OF HSEQ POLICY

■ GRI 103-2, GRI 403-3, GRI 403-4, GRI 403-6, GRI 403-7, GRI 403-10

Parex promotes a culture of prevention and health care with in each of its workers. All Parex employees are linked to health insurance services as defined by law in Colombia.

Once a week, a doctor from the health service provider, "Sanitas", is available at the Company's offices for consultations with employees. Also, the Company has the support of a medical advisor from the Occupational Risk Administration Company (ARL "Administradora de Riesgos Laborales") "SURA", who tracks the results of occupational health assessments to detect possible alterations resulting from working conditions.

IN 2019
NO OCCUPATIONAL
ILLNESSES OCCURRED
WITHIN PAREX' DIRECT EMPLOYEES

ABSENTEEISM*
WAS CALCULATED AT
1.39% IN 2019

*ABSENTEEISM IS THE INABILITY TO COME TO WORK DUE TO A MEDICAL DISABILITY, IT IS CALCULATED AS FOLLOWS:
$$\frac{\text{NUMBER OF DAYS OF ABSENCE X OCCUPATIONAL OR COMMON DISABILITY DURING THE MONTH}}{\text{NUMBER OF SCHEDULED WORKING DAYS IN THE MONTH}} \times 100$$



RUMBA FIELD
CASANARE - COLOMBIA



ROAD TO CAÑO CHIQUITO
CASANARE - COLOMBIA

COPASST

The Joint Committee on Health and Safety at Work (COPASST) is a legally created body. It represents employees and is participatory in nature as it is established based on the voting results of the Company's direct employees. It is responsible of promoting and monitoring of safety standards and regulations for detection of risks and the planning and adoption of corrective measures. COPASST members participate in the investigation and analysis of any accidents that occur at the Company.

COPASST members meet monthly and minutes are kept regarding topics and agendas covered on the company's "SG SST" (Occupational Health and Safety Management System) work plan. Employees make suggestions to COPASST for study and eventual implementation or monitoring.

In addition, COPASST contributed to outreach and communication efforts through the circulation of tips promoting self-care and healthy practices, directed to all employees.

RELATIONSHIPS WITH THE COMMUNITY



■ GRI 102-21, GRI 102-43, GRI 411-1, GRI 413-1
■ SASB EM-EP-201b.1

THE RELATIONSHIPS WITH THE COMMUNITY ARE PRIORITIZED BY PAREX' SENIOR MANAGEMENT IN ALL THE DIFFERENT WORK AREAS OF THE COMPANY.

The relationship with the community is one of the most relevant issues for Parex, as such, the management of this relationship is prioritized by the senior management in the Company's different work areas. Thanks to an effective and sustainable strategy, aimed at generating trust in stakeholders and focused on the communities and institutions around its operations, Parex has been able to develop its projects successfully, to grow and to establish itself in Colombia, even in territories considered to be highly complex in the country.

Respect for the law, local customs, and traditions; the pursuit of a common benefit; sincere, direct and permanent dialogue; as well as an ethical, transparent and responsible behaviour when it comes to fulfilling the commitments made, have been fundamental to build trust and be seen as a strategic partner for the development and transformation of territories.

Parex advances its hydrocarbon projects when it achieves strategic alliances with communities and the local governments, understanding the need to articulate business and community expectations as well as government development objectives. Key issues within the framework of relationship building, such as the compulsory and voluntary social investment, the recruitment of local labour and the inclusion of local goods and services in the value chain, are managed by ensuring compliance with the law and the application of best sector practices.

Socialization meetings for projects are held with the utmost care, ensuring clarity of information, allowing feedback and opening effective communication channels for communities to express their concerns and opinions. The Company promotes dialogue in both formal and informal settings in order to achieve a fluid and trustworthy relationship.

IN 2019 THERE WERE NO CASES HAVING AN EFFECT ON THE RIGHTS OF INDIGENOUS PEOPLE.

PETITIONS, CLAIMS AND COMPLAINTS ("PQR")

■ GRI 102-17, GRI 102-21, GRI 102-33, GRI 102-43, GRI 102-44, GRI OG10, GRI 413-1
■ SASB EM-EP-201b.1 - SASB EM-EP-201b.2

Parex assigns special importance to this tool that supports risk management, strengthening of communication and good relations with stakeholders, but especially, with the communities, authorities, contractors and suppliers. Petitions, claims and complaints can be presented directly to professionals in the field or via an email address that is widely disclosed to all stakeholders.

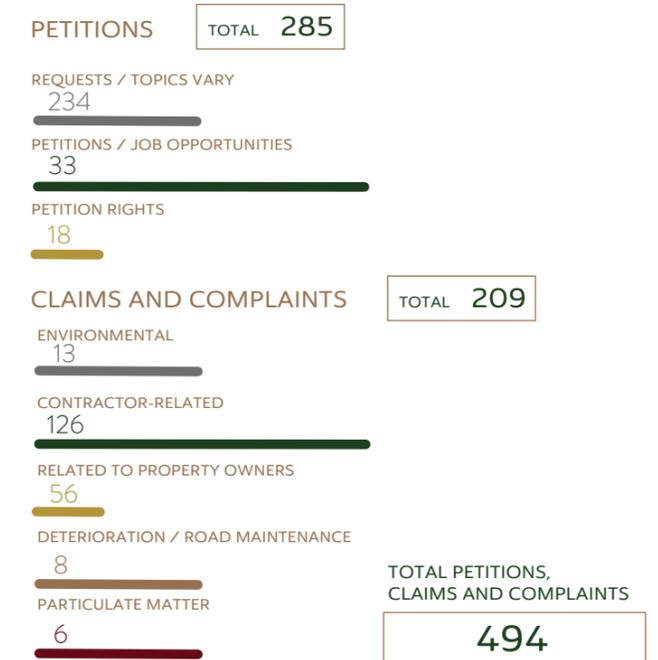
To achieve greater understanding and effectiveness in managing the mechanism, Parex divides petitions, claims and complaints according to the type of request as follows: (i) requests related to an enquiry of general information on various topics, those related to job opportunities or offering of services and petition rights; and (ii) claims and complaints associated with environmental issues, contractors, property owners, deterioration/road maintenance and issuance of particulate matter, among others.

In 2019, a total of 494 requests, claims and complaints were received, 98% were resolved and closed as of December 31st. The number of requests, claims and complaints decreased by 14.4% compared to 2018. A decrease in road deterioration/maintenance related claims went from 40 to 8, environmental issue claims declined from 25 to 13 and property owner claims decreased from 65 to 56; those associated with contractors and issuance of particulate matter remained similar to the previous year.

The response time set out in the petitions, claims and complaints process at Parex is 10 working days, notwithstanding that in accordance with the law and regarding its nature, they may take longer to answer. In 2019, 50% of the petitions, claims and complaints were answered within the stipulated timeframe, 30% took longer than 10 days and 10% over 30 days. It is important to clarify that some responses take longer than stipulated because they involve more complex and dedicated actions; in those cases, petitioners are informed in a timely manner.

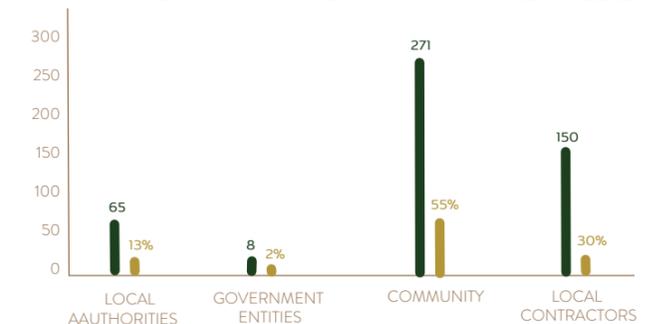
Parex' goal in 2020 is to continue improving response times. The plan is to have a software that would allow to speed up the time and alarms in real time for the people who intervene in the system.

98% OF PETITIONS, CLAIMS AND COMPLAINTS WERE RESOLVED AND CLOSED AS OF DECEMBER 31, 2019



In 2019, there were ten (10) social conflict incidents in the Company's area of operations, which affected the normal course of Parex' activities for 41 days.

"RCC" 2019 ACCORDING TO STAKEHOLDERS



SOCIAL INVESTMENT



SCHOOL CLASSROOM DONATION
CANO CHIQUITO
CASANARE - COLOMBIA

■ GRI 103-3, GRI 103-2, GRI 203-1, GRI 413 OWN, GRI 413-1
■ SASB EM-EP-530a.1

Parex' social investment projects and programs are arranged with the communities through participatory prioritization exercises that seek to meet their most pressing needs. Partnerships with territorial authorities and civil society are essential to maximize financial, technical and human efforts, achieve a high impact and ensure the sustainability of projects over time.

Parex' social investments for the year covered on this report was COP\$12,384,002,040⁵ (USD\$3,718,307.47); representing a 21.33% decrease compared to 2018 primarily due to the Company excluding from the calculation the logistical and administrative costs associated with the execution of social investments .

When it comes to civil and infrastructure work for the benefit of communities, Parex engages technical supervision personnel to perform the corresponding monitoring and evaluation. In addition, the community actively participates in the process through meetings with Parex' social professionals and has an available and permanent channel to express any concerns and obtain a timely response. The results of social investments are measured through pre-established indicators.

135 SOCIAL INVESTMENT PROJECTS WERE COMPLETED WHICH BENEFITED 4,505 FAMILIES

Ten years improving the quality of life of the communities

■ GRI 103-1, GRI 103-2, GRI 203-1, GRI 103-3, GRI 413 OWN, GRI 413-1
■ SASB EM-EP-201b.1 - SASB EM-EP-530a.1

Parex is committed to ensuring that its activities are carried out on the fundamental criteria of environmental sustainability. Social investment is key to achieving this, through it, the Company generates shared benefits for its stakeholders on the economic, social and cultural fronts, and contributes to the creation of sustainable territories.

Understanding what the Company wishes to achieve in the different operating territories, as well as the particularities of the communities, Parex established strategic lines of social investment aimed at improving the quality of life of the population, such as: Community and Institutional Strengthening, Economic, Cultural, Recreational and Sports Development as well as support of Development Plans and cross-cutting projects.

DURING 2019
PAREX' SOCIAL INVESTMENTS TOTALLED
COP \$ 12,384,002,040
MILLION
(USD \$3.72 million)

Parex complies with the obligations established by the National Hydrocarbons Agency (ANH) in Annex D and F of the contracts, by formulating, implementing and auditing the Community Benefit Plans (CBP) and engaging in social investments that go beyond what is required by the authorities. With these resources, the Company contributes to the improvement of the quality of life of the population living in the area of influence and contributes to the achievement of the United Nations Sustainable Development Goals.



⁵ For the figure of social investment, we use the Exchange rate of COP \$3,331 instead of COP \$3,281.09 as in the rest of the report, since it corresponds to the date on which the said expense was incurred.

Business strengthening for regional development



■ GRI 413-1, GRI 103-2, GRI 203-1

When local businesses are strengthened, the region's economy thrives; for this reason, Parex supports companies in its operating area of influence to be competitive and sustainable. During 2019, the Company continued to work with the Casanare Chamber of Commerce on the "Unidos para Crecer" (United to Grow) and "Sinergia" (Synergy) programs, as well as on other initiatives of the Internationalization Managing Division of this entity, through which, the export of some products from the region is promoted.

"Unidos para crecer" (United to grow): highly competitive suppliers

As Néelson Muñoz, Coordinator of the Entrepreneurship Program of the Casanare Chamber of Commerce explains: "With the 'Unidos para Crecer' (United to Grow) program we seek to boost Parex' suppliers to refine their market offering or to strengthen some internal initiatives of their companies. Together with Parex, we have selected entrepreneurs from Casanare and Arauca to train them and strengthen their commercial, financial and administrative areas".

In 2019, 13 companies benefited from this program: twelve (12) from Casanare and one (1) from Arauca. Participants strengthened their managerial skills and identified opportunities for improvement. They were also trained to create business action plans for the optimization of administrative and business processes.

"We're just getting started and we are lacking training, so we find this very useful because it allows us to prepare ourselves for great achievements as a company." Adelia Pacheco, ASOMPAVI Company Representative.

"Sinergia" (Synergy): leveraging Casanare's business development

Parex has supported the "Sinergia" (Synergy) program since 2017, along with the Governor's Office of Casanare, the Mayor's Office of Yopal, academic institutions and other private sector companies with a presence in Casanare. The program was created to promote the local entrepreneurship culture in the department by growing and boosting innovative and competitive companies. This initiative is very important for Parex, as business projects that are not related to hydrocarbon activities and that guarantee a sustainable economic development of the region are leveraged.

In 2019, business mentoring programs and training workshops as well as implementation of administrative and business tools were developed. A total of 31 companies participated.

Adriana Chacón, Chef of the restaurant "El Palmar de Cusiana" and one of the entrepreneurs who has benefited states: "I have been able to improve our recipes. We are very grateful that they have given us the opportunity to learn and strengthen our business".

Productive projects



■ GRI 413-1, GRI 103-2, GRI 203-1

Within the framework of its social investments, Parex promotes the production activities of the regions, such as livestock farming, breeding of smaller species and agriculture. The objective is to create viable production systems that are easily inserted into the markets; thereby contribute to the improvement of the quality of life of the communities and to the economic development of the regions. In recent years, the Company has supported around 5,400 beneficiary families in the departments of Casanare, Arauca, Santander and Meta with an approximate investment of COP\$8,298 million.

In 2019, Parex continued providing support to agricultural projects in the departments of Casanare and Arauca; with an investment that exceeded COP\$2 billion (USD\$608 thousand) and benefited around 1,179 families. The Company invested in the purchase and delivery of livestock (heifers and breeding bulls), as well as providing agricultural

supplies for the support of the production systems installed on the farms, including smaller species (poultry) and pigs. Investments were also made in infrastructure to improve the competitiveness and productivity of the field, focused on improving pastures, rotation systems, corrals for the betterment of husbandry practices in terms of handling and milking, sheds, and processing plants.

From an agricultural point of view, a project that stands out is the one implemented in the municipality of Tame, Arauca where the irrigation system for 7 hectares of cocoa crops of small agricultural owners was optimized and 1.4 hectares of "bucare" trees and cocoa were improved. Such irrigation systems will allow each of the cocoa seedlings to grow and develop with the required water, especially in the summer. In this way, the producers will obtain a product of very good quality to be marketed with the expected economic benefits.

Comprehensive and quality education



IN RECENT YEARS PAREX INVESTED **COP \$2,288 million** (USD \$697,329) IN **59** EDUCATIONAL INSTITUTIONS, BENEFITING **19,588** CHILDREN AND YOUNG PEOPLE IN COLOMBIA.

■ GRI 413-1, GRI 103-2, GRI 203-1

Education is one of the areas in which Parex has identified great needs within the territories where it operates and where it is possible to generate sustainable and higher-level impacts. To provide suitable spaces and tools for the promotion of knowledge and comprehensive training of children and young people in the country is one of the most important challenges for the Company.

During 2019, important educational projects were developed within the framework of Parex' Community Benefit Programs (PBC), such as the delivery of furniture and technological equipment for classrooms, library, cafeterias and administrative areas of the new satellite campus of the "Universidad Pedagógica y Tecnológica de Colombia" (UPTC) in the municipality of Aguazul (Casanare), where around 500 students benefited. The total investment for the project was COP\$85 million (USD \$25,906).

"For the University and especially for the satellite campus in Aguazul this means a lot; it shows that the private company is committed to the public education of the Department. We thank them

because it has a great impact on the University", says Oscar Hernán Ramírez, Director of the UPTC.

Johana Moreno, Mayor of the Municipality, emphasized the importance of Parex' support: "That is what we need, for oil companies to leave their mark with social investments here in our municipality; this is great given the struggle that the community of Aguazul has had with this dream of building the UPTC".

Furthermore, in the village of Caño Chiquito (municipality of Paz de Ariporo), Parex delivered two classrooms to the "Luis Carlos Galán Sarmiento" Educational Institution. With regard to this investment, the chairman of the Community Action Council of Caño Chiquito, Melquisedec Morales, stated: "I want to reiterate my gratitude to Parex, because I consider this to be one of the most important projects in the department of Casanare, they have invested in education. We are very proud and thank the company for giving us these two classrooms; it's a start so that a year from now we are able to have the community students in our village enrolled in eighth and ninth grade of high school".

Decent and safe housing



■ GRI 413-1, GRI 103-2, GRI 203-1

One of the most urgent needs of the population in the area of influence of Parex and which is identified in the municipal development plans, has to do with the living conditions of the homes that, in many cases, put the physical integrity and health of the families at risk. Understanding this situation, in recent years, the Company has been developing a program aimed at improving homes, effectively benefitting 5,198 families to date in 10 municipalities, with an investment of approximately COP\$17,339 million (USD\$5.3 million).

In 2019, the Company contributed to the supply of building materials to communities in the departments of Casanare, Meta, Magdalena, Arauca and Cesar. It also invested in improvement work for housing units

including kitchens, bathrooms, bedrooms, finishes, building envelope, structural reinforcement, floor plate adjustments and internal electrical networks, among other things.

EN 2019 PAREX' INVESTMENT IN HOME IMPROVEMENT AMOUNTED TO **COP \$4,611 million** (USD \$1.4 MILLION) WITH A TOTAL OF **1,320** FAMILIES WHO BENEFITED.



Clean energy for communities

■ GRI 413-1, GRI 103-2, GRI 203-1

One of the most successful projects in 2019 revolved around the installation of a total of 35 solar panels with their respective connections in homes located in the villages Medio Melúa and Alto Navajas, in the municipality of Puerto López, Department of Meta. Thanks to this investment, 26 beneficiary families have access to environmentally friendly energy today at a very low-cost.

Likewise, in the municipality of Paz de Ariporo (Casanare), Parex installed a photovoltaic alternative energy system, with which six families currently benefit. This allows the preservation of food and medicine for a longer period of time; something that is necessary in areas are located far from the town centre and from the electrical interconnection system.



Quality health care for the communities

■ GRI 413-1, GRI 103-2, GRI 203-1

Parex understands that strengthening local institutions directly benefits communities, the Company therefore, allocates significant resources to strategic fronts such as health care in the regions where it operates. An example of this is the hospital of the municipality of Villanueva, which today provides a better service to the people of Casanare, thanks to the support provided by the Company in recent years.

The institution has received funding and its infrastructure has undergone renovations. Around 5,200 people are cared for at this hospital, including people from the rural communities who travel there for specialized medical services.

In 2019, Parex invested COP\$256 million (USD\$78 thousand) in the purchase of equipment for the opening of the X-ray Room. The support provided ensures better results for the diagnosis, prognosis and treatment of diseases and eliminates the referral of patients to other municipalities of the Department. This was a project developed in partnership with the Health Network and the Mayor's office.

The Director of "Hospital de Villanueva", Miguel Angel Jiménez, happily received the support that came from the joint effort of Parex and its allies, he stated: "the X-ray service was abandoned; this greatly resolves the referral service due to accidents, because to determine whether or not there was a fracture, often the patient had to wait until he/she was referred to Yopal. With this new service we can decide which patients should or should not be referred and complete the treatment in a timely manner".

The former mayor of Villanueva, Ruth Yaneth Bohóquez, also expressed her satisfaction in receiving the equipment: "Only gratitude towards Parex. My most sincere thanks on behalf of a community with a very great need on health care issues".



BETWEEN 2014 AND 2019,
PAREX HAS INVESTED
COP **\$1,780 million**
(USD \$542,727)
IN THE HEALTH OF THE COMMUNITIES
IN ITS AREA OF OPERATIONS, BENEFITING
8,592 PEOPLE.



Infrastructure for progress

■ GRI 413-1, GRI 103-2, GRI 203-1

With adequate infrastructure, communities improve their quality of life and the regional economy becomes more dynamic. Over the past 10 years, Parex has invested COP\$11,699 million (USD\$3.5 million) to strengthen and promote ties to the community, recreation and culture, through the construction and improvement of community halls and by helping to facilitate transportation and the marketing of products through the construction and adaptation of roads used by the community. This investment also promoted sports and health, through the construction and improvement of parks and sports fields, as well as the betterment of the living conditions and health of the population with the adaptation of electricity networks and the sewage system respectively.

In 2019, this remained a key factor of the Company's social investment, for which COP\$2,540 million (USD \$760,870) were allocated, and which benefited 1,594 families in 17 villages and 3 urban centers.

IN THE LAST 5 YEARS,
PAREX HAS INVESTED

COP **\$5,620 million**
(USD\$ 1.7 MILLION)

IN THE CONSTRUCTION AND/OR
IMPROVEMENT OF ROADS WITH APPROXIMATELY
3,300 PEOPLE WHO HAVE BENEFITED.



FEATURED PROJECTS

TYPE OF PROJECT	PLACE	NO. OF FAMILIES/ PEOPLE WHO BENEFITED
Construction of three community halls.	Village of Yarima in the municipality of San Vicente de Chucuri (Santander)	750 families
	Population center of Corocito in the municipality of Tame (Arauca)	390 families
	El Triunfo, municipality of Tame (Arauca)	27 families
Delivery of materials and improvement of two community halls.	Village of La Libertad in the municipality of Paz de Ariporo (Casanare)	40 families
	Village of San José in Morichal II, municipality of Tame (Arauca)	80 families
Electric adaptation of an ecological park, delivery of street furniture, metal stands and the roof for a synthetic soccer field	Urban centre village in the municipality of Villanueva (Casanare).	3,000 people
Improvement of rural access roads, change of sewage systems, studies and designs of structures and drainage works.	Urban centre, municipality of Tame Arauca	200 families
	Village of Brisas del Cravo, in the municipality of Tame, Arauca	18 families
	Village of Brisas del Tamaçay in the municipality of Tame, Arauca	62 families
Transportation of material for road work and sewage in the village.	Village of Buenos Aires Bajo in the municipality of Villanueva, Casanare	44 families
	Village of Buenos Aires Alto, in the municipality of Villanueva, Casanare	40 families
	Village of Puerto Miriam in the municipality of Villanueva, Casanare	43 families

SUPPORT FOR WOMEN WORKING IN THE AREA OF OPERATIONS

■ GRI 413-1, GRI 103-2

Entrepreneurial women

As part of its management and social investment efforts, in 2019, Parex supported initiatives aimed at the empowerment of women in its operating areas of influence. One of these initiatives was the Second Congress for Women of the Orinoquia and Amazon regions "Mujer, Empredimiento y Turismo" (Women, Entrepreneurship and Tourism). The event that took place in the municipality of Yopal (Casanare) and which brought together more than 1,200 women, aims to promote initiatives for the protection and advocacy of their rights, as well as to promote the opportunities provided by both the National Government and private companies for women to engage in business and achieve economic stability.

Some of the topics covered were related to public policies to achieve gender equality, education as a tool for women's socio-economic development, and the empowerment of women in the tourism sector. One of the great achievements of this initiative and which was realized during the Congress was the creation of the "Secretaría de Integración, Desarrollo Social y Mujer" (Secretariat for Integration, Social Development and Women) in the department of Casanare.

NO violence against women

In commemoration of the International Non-Violence against Women Day, Parex supported "La Gran Rodada", a day in which there were multiple sports activities such as bicycle riding, bicycle rally and the women's institutional and business fair (#alaunionporlamujer) with the participation of about 1,000 people.

During the tour, which began in the municipality of Yopal and ended on the village of "La Unión", participants encountered an exhibition of bicycles converted into works of art, as a tribute to the women murdered in the last five years in the department of Casanare. As a symbolic act, the participants wrote in a mural their messages of commitment to the respect for women's lives.



“AGUA PARA TODOS” (WATER FOR ALL): Saying yes to water and to oil too



GRI 413-1, GRI 203-1

The “Agua para Todos” (water for all) program is a cross-cutting project and a strategic commitment by Parex to the development of sustainable communities. Through this project, the Company has managed to improve the access, quality and coverage area of drinking water availability in some areas where Parex operates such as Casanare, Arauca, Cesar, Santander and Magdalena. The initiative has also enabled beneficiaries to be trained in the sustainable use of water resources.

Between 2017 and 2019, Parex has invested COP\$1,312 million (USD\$400,000) through the “Agua para Todos” (Water for All) program, benefiting 8,568 people. In that period, around 42 kilometers of distribution networks were built, 95 tanks, 19 water treatment plants, 16 water dispensers and 94 filters were installed and/or improved, and two deep wells were drilled; these are among other items not mentioned here.

In 2019, the year covered on this report, an improvement of the conditions to access quality water benefited a total of 6,600 people in the departments of Casanare, Cesar and Santander. COP\$278 million (USD\$84,688) were used for this purpose.

In recent years, there has been a debate about the alleged damage caused by hydrocarbon activity on water and some people have come to say that oil and water resources cannot coexist in the same territory. Parex has demonstrated that it is possible to extract oil while respecting and protecting water sources, and in addition, that Parex' presence in rural areas has brought forth access to quality water for the population.

In the municipalities of Aguachica and Río de Oro (Cesar) a deep water well was drilled, benefiting 225 students from the schools of the communities of El Juncal and Montecitos. Water purification and optimization systems were also installed. In the aqueduct of the village of Puerto Rico, in the

GRI 413-1, GRI 203-1

municipality of San Vicente de Chucurí (Santander), a 27 km pipeline was installed to reach the homes of 45 families (around 200 people) who had not had direct access to water for 50 years. Water tank maintenance and adaptation also took place which benefited 55 families in the Department.

In addition, in the urban centre of the municipality of Hato Corozal, in the department of Casanare, around 6,000 people benefited from the optimization of the water treatment plant. The project was carried out thanks to a partnership between Parex, the Mayor's Office and the “Empresa de Servicios Públicos de Hato Corozal” (EPHAC – Public Services Company of Hato Corozal).

“The Public Services Company (Empresa de Servicios Públicos) had a significant flaw in the filter bed of the water treatment plant. Parex identified this need and in less than a week they provided us with a definitive solution. I am immensely grateful, as a woman born in Corozal, for this great contribution that benefits an entire community,” says Diana Baron, Manager of EPHAC.

On the other hand, in the villages El Cedral and Pueblo Nuevo (Hato Corozal), materials were delivered for the improvement of pipes and general connections for new homes were also installed; this facilitated the flow of water to six homes in the area, the community hall and also the school. At educational institutions, Parex installed water treatment plants and dispensers for students to enjoy ozonized and refrigerated water.

According to Sandra de los Angeles Rincón, a student at El Cedral School “we used to get so thirsty and we would try straining the water, but it would still come out with dirt, so we couldn't drink it to avoid getting infections, it had a lot of germs.”

“I want to thank Parex for the support it gives our schools with this issue of access to drinking water, now our children have the opportunity to improve their quality of life,” says Wilmer Tovar, Director of the Luis Hernández Vargas Educational Institution.



DONATIONS IN 2019

Simón Bolívar Hospital, a contribution of national impact



SIMÓN BOLÍVAR HOSPITAL
BOGOTÁ - COLOMBIA



GRI 203-1

During 2019, Parex launched one of its most ambitious initiatives in recent years, contributing to the renovation process of the Simón Bolívar Hospital in Bogota. The idea arose as a way to celebrate the Company's 10th birthday in Colombia and to thank the country for the opportunity it has given Parex to grow and become a partner for progress of the territories.

Parex led the project to renovate and reform 1,700 m2 of the physical infrastructure of the Simón Bolívar Hospital in Bogota, as well as to furnish it with specialized equipment and significantly improve the conditions and services of the burn and emergency units.

The project is divided in two phases: the first, which corresponds to the Burn Intensive Care Unit (ICU) was completed at the end of 2019 and, the second, which is related to the Pediatric Burn and Emergency Intermediate Care Unit, will take place in 2020.

"Parex is celebrating its 10th year anniversary since its foundation and of starting operations in Colombia, as such, the Company's Board of Directors wanted to give back to the country. We work a lot in the communities and for our communities, but we wanted to do something different, something that would transcend and serve the whole country," said Rafael Pinto, Vice President of Relations with the Government of Parex, during the delivery of the first phase of civil works carried out at the end of 2019.

At the event, the Mayor of Bogotá, Claudia López, said: "Parex wondered, what would be the best gift the Company could give Colombia as part of its corporate social responsibility, and also as part of its mission of shared value with the city and with the country. To our benefit, they chose to invest COP\$5,250 million (USD\$1.6 million) in the improvement of services of the Intensive and Intermediate Burn Care Units of the Simón Bolívar

GRI 203-1

Hospital, as well as of the ER. This is Parex' way to invest and express its gratitude towards Colombia for the growth that the Company has had".

The Company's contribution will result in the increase of the number of rooms in the Burn Intensive Care Unit (from 10 to 18), the outfitting of the 22 Burn Unit Intermediate Care rooms according to burned patient care standards, the transfer and improvement of the Pathology Unit and the improvement of the Pediatric Emergency area; all of this, in accordance with the standards required for the provision of specialized medical services.

According to Yidney Isabel Garcia, Manager of the Northern Subnet: "We are immensely grateful to Parex for their generosity and kindness towards our patients and workers. Without their input, this dream would have been impossible to fulfill."

It should be noted that the Ministry of Health and Social Protection, the Health Secretariat for the District and the Simón Bolívar Hospital itself, added important resources for the renovation of the Hospital.

"Suffering a burn is the most catastrophic event that could happen in the lives of a burned patient and their families; it is a situation that is extremely difficult to overcome as it requires a painful and traumatic hospitalization. There are moments of terrible depression, and it is necessary not only for all the medical and multidisciplinary team that accompanies them to be present, but the environment is also important. The work that was done here is full of love and beauty, it will be a wonderful place to work and I speak on behalf of the entire health care team", said Patricia Gutierrez de Reyes, Leading Physician of the Burn Unit at the Simón Bolívar Hospital – Northern Subnet.

**“PLAN PADRINO” (SPONSOR PLAN):
PAREX’ EMPLOYEE COMMITMENT
TO SOCIAL RESPONSIBILITY**



GRI 203-1

The Galvis Sandoval family, from the village of “el Diviso La Colorada”, in the municipality of Simacota (Department of Santander), was chosen to receive the benefits of “Plan Padrino” in 2019. A total of COP\$103 million (USD\$31,392) was used to build and equip the house with all the necessary items.

The quality of life of the five family members improved substantially. Maximiliano Galvis, 90 years old; Leonor Sandoval Fuentes, 80 years old; Alfredo Galvis, 55 years old; Martha Moreno, 52 years old, and Stefani Galvis, 23 years old, are now the proud owners of a dignified home, which gives them security and promotes their well-being.

“The house I had before was made with iraca palm

and boards. I am so happy for this beautiful house that we were given because in it we have all the services we need. I thank Parex very much for giving us this beautiful and well-made home.” says Leonor Sandoval Fuentes.

The President of Parex (Colombia), Lee DiStefano, who delivered the new home to the Galvis Sandoval family, together with representatives of Parex' employees, is convinced that social responsibility begins with an individual conviction and that is what employees and contractors demonstrate in contributing to this cause. “The message of “Plan Padrino” is that if we come together and work together, we can achieve a lot of things for the well-being of the communities.”

GRI 203-1

“Plan Padrino” is a program created in 2012 by Parex employees which today also involves contractors. It consists of the Company's employees making voluntary financial contributions and, with the sum of these resources, a fully equipped house is built and gifted annually to a vulnerable family, previously identified and selected from the areas of operations.

Thanks to the generosity of Parex employees and some contractors, a total of nine homes have been donated in the departments of Casanare, Arauca and Santander since 2012. The selection of the beneficiary households is carried out in a coordinated way with the communities and with the social management departments of the Municipal Mayor’s Offices .



LOCAL JOB CREATION



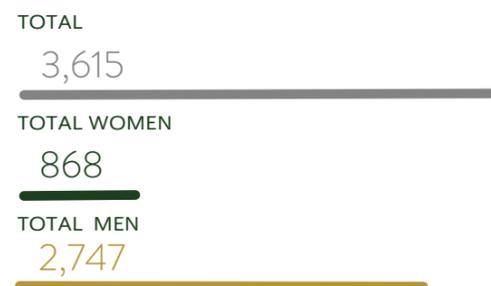
■ GRI 203-2, GRI 413-1, GRI 103-1, GRI 103-2, GRI 103-3, GRI 413 OWN

This is a material issue for Parex and its stakeholders, given the impact of hydrocarbon operations on the work dynamic of the regions. By the nature of its activities, the Company has contracting companies that support the development of the different phases of its projects in the territories, while incorporating skilled and non-skilled labour for the performance of its activities.

Recruitment processes are carried out through the Public Employment Service, a tool created by the Colombian government to ensure access of information on available vacancies, process transparency and prioritization of workforce coming from the region where operations are taking place.

The contracting companies inform Parex of the hires made through this tool to monitor them; it is a joint effort that respects the technical and administrative autonomy of the companies. Compliance with legislation and the application of good practices by contractors is guaranteed through socio-occupational audits promoted by the Company. This procedure also assists in establishing plans for closing gaps and deadlines for the fulfilment of work commitments when necessary.

NUMBER OF ACTIVE AND EXISTING LOCAL EMPLOYMENT OPPORTUNITIES (SKILLED AND UNSKILLED LABOUR) IN 2019



Women participation in local employment is of great importance to Parex, for this reason, the Company has been promoting their inclusion into positions that were previously occupied by men. For example, the job of Road Controller is currently offered primarily to women and the Position of Sample Collection, which is carried out at the drilling stage, is reserved exclusively for them. For the position of Operations Assistant, women, who started out as apprentices, and who demonstrated good performance, now fulfill this role as they have the requirements stipulated by law to execute it.

WOMEN'S LEADERSHIP IN OPERATIONS

■ GRI 203-2, GRI 103-2, GRI 414-1

Doris Rocío Pérez Velandia is originally from the municipality of Tame (Arauca), she is 32 years old and is currently an Operations Supervisor in the Capachos block operated by Parex, she is in charge of a group of 35 workers who are mostly men.

Her story is like that of many other women who, thanks to their tenacity and commitment, manage to achieve their goals, breaking stereotypes and holding positions that they were previously not considered for.

"When I was 16 years old, and with a great amount of effort, we managed to get a loan so that I could study Petroleum Engineering at the satellite campus of the Universidad Nacional in Medellín. This dream started when I saw that in my region there were very few people in that profession."

Her work experience began in 2012 in the departments of Casanare and Meta where she held the position of Field Engineer in the production and well testing area. She was there for about 4 years, until the well where she worked was closed. In 2016, she returned to Tame and resumed her family life; however, Parex soon arrived in the region and she saw in the project of Capachos a new opportunity to evolve professionally.

She went through the recruitment processes arranged by Parex' contractor Sar Energy and passed the tests thanks to her potential and proven leadership capacity. "As a woman and professional, it has been a great challenge and a learning opportunity. It is not easy to be in a role where the majority of people who hold that position are either men or senior staff with a lot more experience than me. It is very gratifying to have recognition and a position like the one I have for the work I have done."

Doris Rocío emphasizes that excellence in the processes and activities developed by Parex has been key for the Company to be able to enter into a complex environment; "the community has welcomed Parex precisely, because from the beginning, they have shown ethics and transparency in all their actions".

She also recognizes that by opening positions for women in their operations, Parex is leaving a very positive message and motivating women to prepare professionally, trusting that today, there are many positions they can fill and be successful.



"These kinds of opportunities invite women to not stigmatize themselves and to stop thinking that there are positions only men can fill; we all have the same capabilities and potential. It's true that it's not easy, but it's not impossible either. Without a doubt, in this type of work, you can see the mark a woman leaves." Doris Rocío Pérez, Operations Supervisor at Capachos Block.

PURCHASE OF LOCAL GOODS AND SERVICES



■ GRI 203-2, GRI 103-1, GRI 103-2, GRI 103-3, GRI 204-1, GRI 204 OWN, GRI 413-1, GRI 413 OWN

For the development of its operations, Parex hires international, national and local companies according to the requirements of the different phases and activities. The purchase of local goods and services has been identified as a material issue because supporting entrepreneurs and local ventures is one of the most relevant impacts Parex has on the territories.

IN 2019
144 REGIONAL COMPANIES
WORKED WITH PAREX.

For this reason, the Company not only prioritizes the resources that are offered by the areas of operations to achieve its objectives, ensuring that they meet all standards and legal requirements, but it also strives to strengthen local companies and make them competitive and sustainable. Socio-occupational audits are essential to be able to identify aspects that improve and create action plans; Parex establishes a direct and permanent relationship with local contractor companies because they are strategic allies, and without their inputs, it would be impossible to develop its projects.

IN 2019
THE LOCAL PURCHASES
TOTALLED
COP **\$126,452 million**
(USD \$38.54 million)

LOCAL PURCHASES BY ACTIVITY

	COP
TOTAL	126,452,179,875
CIVIL WORKS	20,652,105,342
ENGINEERING AND WORKOVER	1,425,092,270
MAINTENANCE	1,953,943,385
TRANSPORTATION OF DRY CARGO	10,535,381,561
ENVIRONMENTAL, HEALTH AND QUALITY	7,120,050,719
TRANSPORTATION OF PASSENGERS	4,725,729,872
TRANSPORTATION OF CRUDE OIL	44,131,124,144
MANAGEMENT AND DISPOSAL OF WATER AND WASTE	898,133,542
FACILITIES	24,070,881,470
OTHER	2,909,737,570

Successful entrepreneur in the area of operations

■ GRI 203-2, GRI 103-2

"When this dream was born, we never thought that we would grow so much in every aspect, thanks to the support of Parex", this is how Belquis Briceida Sepúlveda Mancipe begins her story. She is 31 years old, is a Sanitary Engineer specialized in Environmental Engineering and Hydraulic Resources and was born in Tame (Arauca).

Belquis studied in Tunja (Boyacá) and began her work experience in the city of Bogotá with the Unidad Administrativa Especial de Servicios Públicos (UAESP, Special Administrative Unit of Public Services) at the landfill "Doña Juana". However, she always had the desire to start her own business, so in 2016, she returned to the region where she was born with the firm intention of making her dream come true.

Along with her mother, Belquis Yadira Mancipe, they began to structure the company "Soluciones Integrales de Consultoría, Construcción, Mantenimiento y Suministros (Integral Consulting, Construction, Maintenance and Supply Solutions) SAS - SICOMS S.A.S", which materialized in 2017. That same year, Parex arrived in Arauca and in order to start its activities in the Capachos block, Parex and their team identified these two entrepreneurs as key allies for their project.

"Parex gave us our first formal business opportunity. They believed in a company from Tame that, although it was newly created, had desire and potential. They gave us the opportunity to support them with a topography through the review of the polygons of the areas of influence".

According to Belquis, the process has been rewarding in many aspects; on the one hand, she went from being employed to having the responsibility of running a business and, on the other hand, she finds it satisfying to know that she supports many families in the region through the generation of employment. At a professional level, she says she learns new things every day: "Parex has such well-established processes, which encourages us to make an effort to be better every day, as people and as professionals, in an effort to reach their standards".

Another aspect highlighted by the entrepreneur is that, as a result of her experience with Parex, she has had various opportunities in other sectors and departments. For example, contracts with the Arauca's Governor's Office, the Tame's Mayor's Office, consulting services for the double lane road in Yopal-Aguazul (Casanare) with the company Miko, Mellan and Camel (MMC) and consulting services in Villanueva (Casanare) for hydro-sanitary studies and designs.

Belquis Sepúlveda is proud to be the only woman with the role of Legal Representative of the 10 companies in the region that provide the same type of services as her Company SICOMS S.A.S.

Parex also relies on her company for the execution of social investment projects that positively impact the population of Arauca. She has been hired to perform surveying work, formulation of infrastructure and productive projects within the framework of the Plans for the Benefit of the Communities, as well as for the auditing and monitoring of projects at their implementation phase. She has also participated in the design and construction of the new module of the water treatment plant (PTAP, "planta de tratamiento de agua potable") of the municipality of Tame, which was developed by Parex within the Public Works for Tax Deductions program.



■ GRI 102-56

Free translation from the original in Spanish

EXTERNAL ASSURANCE

Parex Resources Colombia Ltd. Sucursal

Independent practitioner's limited assurance report on the 2019 Sustainability Report of Parex Resources Colombia Ltd. Sucursal for the year ended December 31, 2019

August, 2020



■ GRI 102-56

Independent practitioner's limited assurance report on the 2019 Sustainability Report of Parex Resources Colombia Ltd. Sucursal for the year ended December 31, 2019

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

August 4, 2020

We have undertaken a limited assurance engagement in respect of the selected sustainability information subject matter (hereinafter the 'Identified Sustainability Information') listed below and reported in the 2019 Sustainability Report (hereinafter the 'IS19', by its acronym in Spanish), for the period between January 1st to December 31st of 2019 (hereinafter the 'Review Period'). This engagement was conducted by a multidisciplinary team including assurance auditors and sustainability experts.

Identified Sustainability Information

- a. The Identified Sustainability Information of the performance indicators included in Parex Resources Colombia Ltd. Sucursal's IS19 (hereinafter 'the Company') issued by the Administration, both printed and in a PDF¹ file, is listed below:
 - i. Indicator GRI 201-1 Direct economic value generated and distributed.
 - ii. Indicator GRI 205-3 Confirmed incidents of corruption and actions taken.
 - iii. Indicator GRI 303-3 Water withdrawal (v.2018).
 - iv. Indicator GRI 305-1 Direct (Scope 1) GHG emissions.
 - v. Indicator GRI 307-1 Non-compliance with environmental laws and regulations.
 - vi. Indicator GRI 403-9 Work-related injuries (v.2018).
 - vii. Indicator GRI 412-2 Employee training on human rights policies or procedures.
 - viii. Own indicator Local workforce.
 - ix. Own indicator Local purchases.
 - x. Own indicator Social investment.

¹ The maintenance and integrity of the Parex Resources Inc. website (www.parexresources.com/es/), the repository of the pdf version of the 2019 Sustainability Report, is the responsibility of the Company's Administration. The work carried out by PwC does not include the consideration of these activities and, accordingly, PwC accepts no responsibility for any difference between the information presented on said website and the Identified Sustainability Information in the Report issued by the Administration of the Company on which said assurance was made and the conclusion was issued.

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GRI 102-56

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

August 4, 2020

- b. The Company's statement, included in the IS19, regarding its accordance with the "Core" option of GRI Standards (2016) of the Global Reporting Initiative, included in the report.

Our limited assurance procedures were only performed on the Identified Sustainability Information, which respond to the assurance criteria described in Appendix I; for the year ended December 31, 2019; And we have not performed any procedure with respect to earlier periods, projections and future goals, or any other element included in IS19 and, therefore, we do not express a conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information, subject matter of the limited assurance, were established in accordance with GRI 2016 Standards (Global Reporting Initiative) and with the formalized procedures that, in relation to those indicators, the Management has defined as complements to that stated in the GRI, set out in Appendix I.

Management's Responsibility for the Identified Sustainability Information

The Company's Administration is responsible for the preparation and presentation of the Identified Sustainability Information in accordance with the Criteria set forth in Appendix I. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

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

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



GRI 102-56

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

August 4, 2020

Our Responsibility

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

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

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

- a. Understanding of the tools used to generate, aggregate and report the Identified Sustainability Information through inquiries with those responsible for the processes listed, carried out virtually.
- b. Limited substantive testing on a selective and random basis of the Identified Sustainability Information identified by the Company, to determine the indicators subject to limited assurance and check that data had been appropriately measured, recorded, collated and reported, by means of:
 - i. Inspection of policies and procedures established by the Company.
 - ii. Inspection of supporting documentation from both internal and external sources.
 - iii. Arithmetic calculations in accordance with formulas previously defined in the reporting criteria that are set out in the accompanying Appendix I.
 - iv. Comparison of the contents presented by the Administration in their IS19 based on that established in the "Core" option of the GRI Standards of the Global Reporting Initiative (GRI), version 2016.



GRI 102-56

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

August 4, 2020

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria that are set out in Appendix I.

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

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

1. The performance indicators included in the IS19, regarding the information that responds to the assurance criteria described in the accompanying Appendix I, are not prepared, in all material respects, in accordance with the criteria.
2. The Company's statement, included in the IS19, regarding its agreement with the "Core" option of GRI Standards of the Global Reporting Initiative; when discussing the information that responds to the assurance criteria described in the accompanying Appendix I, is not prepared, in all material respects, in accordance with said criteria.

Inherent Limitations

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

- i. The non-financial information is subject to more inherent limitations than financial information, given both the nature and methods used to determine, calculate, sample or estimate such information. Qualitative interpretations of the relevance, materiality and accuracy of the information are subject to individual assumptions and judgments.
- ii. Our assurance does not include financial information of the Company for the year under revision, unless otherwise stated in the attached Appendix I. We have not performed any work outside the agreed scope and, therefore, our conclusion is restricted to the Identified Sustainability Information that respond to the assurance criteria described in Appendix I.



GRI 102-56

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

August 4, 2020

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

Restriction on use and distribution

Our report, including the conclusion, has been prepared solely for the purpose of the Company's Administration presenting it to the Board of Directors, and Management of Parex Resources Inc. and its Subsidiaries, within the context of reporting its performance and activities in the IS19. We permit the disclosure of this report in the 2019 Sustainability Report. To the fullest extent permitted by the law, we do not accept or assume responsibility to anyone other than the Company's Administration, the Board of Directors, and Management of Parex Resources Inc. and its Subsidiaries, for our work or this report save where terms are expressly agreed with our prior consent in writing.

(Original in Spanish signed by:)

Diego Henao González
Tarjeta Profesional No. 20732-T
Socio
PricewaterhouseCoopers AG Ltda.

Ver anexos de la verificación externa en páginas 123 a 138.

GRI TABLE ■ GRI 102-55

UNIVERSAL STANDAR			
FOUNDATION	DISCLOSURE NUMBER	NAME OF THE INDICADOR	PAGE
GRI 101		Principles for defining report content	18-19
GENERAL DISCLOSURES	DISCLOSURE NUMBER	NAME OF THE INDICADOR	PAGE
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	102-1	Name of the organization	5
	102-2	Activities, brands, products, and services	5, 11
	102-3	Location of headquarters	5
	102-4	Location of operations	6
	102-5	Ownership and legal form	5
	102-6	Markets served	11
	102-7	Scale of the organization	5
	102-8	Information on employees and other workers	5, 11, 68, 69, 77
	102-9	Supply chain	10, 11
	102-10	Significant changes to the organization and its supply chain	5, 10, 38, 41, 42
	102-11	Precautionary principle or approach	13
	102-12	External initiatives	7, 8, 13, 32
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SASB TABLE 2019 REPORT

STATUS OF REPORT

TOPIC	ACCOUNTING METRIC	UNIT	CODE	STATUS OF THE REPORT	PAGE
GREENHOUSE GAS EMISSIONS	Gross global Scope 1 emissions, percentage covered under a regulatory program, percentage by hydrocarbon resource	Metric tons CO2-e	EM-EP-110a.1		51
	Amount of gross Scope 1 emissions from flared hydrocarbons from a) Combustion, b) flared hydrocarbon, c) process emissions, d) directly vented emissions, e) fugitive emissions/risks	Metric tons CO2-e	EM-EP-110a.2		51
	Discussion of long-term and short term strategy or plan to manage Scope 1 emissions, emissions reductions targets, and analysis of performance against those targets	Discussion and analysis	EM-EP-110a.3		49, 50, 51
AIR QUALITY	Air emissions from Nox, Sox, VOCs, and PM10	Metric tons	EM-EP-120a.1		53
WATER MANAGEMENT	Total water withdrawn, total water consumed, and % of each in regions with water stress	Thousand cubic meters (m3)	EM-EP-140a.1		56
	Volume of produced water and flowback generated; % discharged, injected and recycled; hydrocarbon content in discharged water	Thousand cubic meters (m3), percentage, metric tons	EM-EP-140a.2		56, 57
	Percentage of hydraulically fracturing sites where ground or surface water quality deteriorated compared to a baseline	Percentage (%)	EM-EP-140a.3		
	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	EM-EP-140a.4		
BIODIVERSITY IMPACTS	Description of environmental management policies and practices for active sites	Discussion and analysis	EM-EP-160a.1		60, 61, 64, 65
	Number and volume of hydrocarbon spills	Number of Barrels	EM-EP-160a.2		59
	Percentage of proved and probable reserves near sites with protected conservation status or endangered species habitat	Percentage (%)	EM-EP-160a.3		62, 63
SECURITY, HUMAN RIGHTS & RIGHTS OF INDIGENOUS PEOPLES	Percentage of proved and probable reserves near areas of conflict	Percentage (%)	EM-EP-210a.1		
	Percentage of proved and probable reserves near indigenous land	Percentage (%)	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 and analysis	EM-EP-210a.3		66, 67
COMMUNITY RELATIONS	Discussion of processes to manage risks and opportunities associated with community rights and interests	Discussion and analysis	EM-EP-201b.1		21, 22, 84, 85, 86
	Number and duration of non-technical delays	Number, days	EM-EP-201b.2		85
WORKFORCE HEALTH & SAFETY	Total recordable incident rate; fatality rate; average hours of health, safety, and emergency response training for employees	Rate, hours (h)	EM-EP-320a.1		79
	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion and analysis	EM-EP-320a.2		78, 80, 81, 82
RESERVES VALUATION & CAPITAL EXPENDITURES	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for price on carbon emissions	Million barrels, Million standard cubic feet (MMscf)	EM-EP-420a.1		
	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Metric tons CO2-e	EM-EP-420a.2		
	Amount invested in renewable energy, revenue generated by renewable energy sales	USD/COP	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 and analysis	EM-EP-420a.4		12, 46, 47
BUSINESS ETHICS, AND TRANSPARENCY	Percentage of proved and probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	EM-EP-510a.1		
	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and analysis	EM-EP-510a.2		30, 31, 32
MANAGEMENT OF THE LEGAL & REGULATORY ENVIRONMENT	Discussion of Corporate positions related to government regulators and/or policy proposals that address environmental and social factors affecting the industry	Discussion and analysis	EM-EP-530a.1		30, 32-37, 86, 87
CRITICAL INCIDENT RISK MANAGEMENT	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Rate	EM-EP-540a.1		
	Description of Management Systems used to identify and mitigate catastrophic and tail-end risks	Discussion and analysis	EM-EP-540a.2		79

ACCOUNTING METRIC	UNIT	CODE	STATUS OF THE REPORT	PAGE
PRODUCTION OF OIL, NATURAL GAS, AND SYNTHETIC GAS	Thousand barrels per day (Mbbs/day); Million standard cubic feet per day (MMcfs/day)	EM-EP-000.A		40
NUMBER OF OFFSHORE SITES	Number	EM-EP-000.B		
NUMBER OF TERRESTRIAL SITES	Number	EM-EP-000.C		6



PAREX HISTORICAL INDICATORS

ECONOMIC AND OPERATIONAL PERFORMANCE

Production and reserves	Unit	2017	2018	2019
Exploration and production blocks of interest	number	20	20	22
Area	million gross acres	1.6	2.1	2.4
Wells drilled in the year	number of wells/year	n.d.	54	43
Producing wells drilled	number of wells/year	30	42	38
Non-producing wells drilled	number of wells/year	8	12	5
Exploration success rate	%	n.d.	86	75
Average oil and gas production	boe/d	35,541	44,408	52,687
Variation of production compared to previous year	%	20	25	18.64
Gross operated production	boe/d	11,198	12,459	17,390
2P reserves	million boe	162.2	184.6	198.4
Variation of reserves compared to previous year	%	44.6	14	7.4
Discovery and acquisition costs (2P)	USD/boe	n.d.	5.54	7.57
Direct economic value generated and distributed	Unit	2017	2018	2019
Direct economic value generated and distributed	M USD	296	518	466
Revenues (total sales of oil and gas)	M USD	573	966	1,114
Capital expenses	M USD	212	302	208
Net income from operations	M USD	155	403	328
Cash flow from operations	M USD	280	401	570
Annual variation of cash flow from operations	%	94	37	42
Shares issued (TSX)	#	154,742,134	155,013,908	143,295,054
Shares closing price	CAN	18.16	16.35	24.15
Cash flow from operations per share	USD	1.81	2.58	3.90
Net working capital	M USD	163.4	219	344
Operational costs (opex, transport, and purchase of crude oil)	M USD	130	160	253
Discovery, development and acquisition costs (2P)	USD/boe	7.46	7.29	7.57
Realized sale price	USD/boe	43.73	58.64	54.7
Payments to the government	Unit	2017	2018	2019
Taxes paid to the government	M USD	28.00	100.60	197.00
Royalties paid	M USD	59.00	133.00	135.00
Salaries and benefits	Unit	2017	2018	2019
Salaries and benefits including share-based compensation (Colombia + Canada)	M USD	56.95	48.45	58.65
Annual variation of employee wages&benefits	%	n.d.	- 27.00	35.00
Investment in employee training and career development (Colombia + Canada)	M USD	0.35	0.32	0.39
Social investment	Unit	2017	2018	2019
Community investment	M USD	3.40	5.50	3.72
Annual variation of community investment	%	18	62	-16

N/A Does not apply for Parex activities
n.d. No data to report

ENVIRONMENT

Energy	Unit	2017	2018	2019
Total fuel consumption within the organization from non-renewable sources	Terajoules	n.d.	1,074	1,435
Total fuel consumption within the organization from renewable sources	Terajoules	n.d.	n.d.	1.91
Total electricity consumption	Terajoules	n.d.	2.7	1.91
Total heating consumption	Terajoules	n.d.	n.d.	1.27
Total cooling consumption	Terajoules	n.d.	n.d.	N/A
Total steam consumption	Terajoules	n.d.	n.d.	37
Total energy sold	Terajoules	n.d.	n.d.	N/A
Total energy consumption within the organization (field energy)	Terajoules	72,685,188	75,784,156	101,877,586
Energy consumption outside of the organization	Terajoules	n.d.	n.d.	502
Energy intensity rate for the organization	Kw.hr/boe	17.58	16.66	16.05
Water and Effluents	Unit	2017	2018	2019
Total volume of water extracted (without water)	Megaliters	128.56	126.43	174.12
Surface water catchment	Megaliters	23.63	17.03	63.79
Ground water catchment	Megaliters	60	54	36
Ocean water catchment	Megaliters	N/A	N/A	N/A
Produced water catchment	Megaliters	2.74	1.04	0.08
Third-party water supply (municipalities or other companies)	Megaliters	42.32	54.36	74.01
Surface water extraction in areas with water scarcity	Megaliters	n.d.	n.d.	N/A
Ground water extraction in areas with water scarcity	Megaliters	n.d.	n.d.	N/A
Ocean water extraction in areas with water scarcity	Megaliters	n.d.	n.d.	N/A
Produced water extraction in areas with water scarcity	Megaliters	n.d.	n.d.	N/A
Total water discharge in all the areas	Megaliters	5,098	4,970	7,324
Total water discharge in surface water	Megaliters	0.00	0.00	0.00
Total water discharge in ground water	Megaliters	N/A	N/A	N/A
Total water discharge in formation water (re injection)	Megaliters	5,098	4,970	7,284
Total water discharge in ocean water	Megaliters	n.d.	n.d.	N/A
Total water discharge given to third parties	Megaliters	n.d.	n.d.	39.51
Total water consumption in all the areas	Megaliters	128.56	126.43	174.12
Total water consumption in all the areas with water scarcity	Megaliters	N/A	N/A	N/A

Biodiversity	Unit	2017	2018	2019
Total number of species appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d.	n.d.	16
Total number of critically endangered species appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d.	n.d.	0
Total number of endangered species appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d.	n.d.	0
Total number of vulnerable species appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d.	n.d.	4
Total number of almost threatened species appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d.	n.d.	1
Total number of species that are a minor concern appearing on the red list of the IUCN and on domestic conservation lists whose habitats are located within areas affected by the operations	Number	n.d.	n.d.	11
Emissions	Unit	2017	2018	2019
Gross direct (scope 1) GHC emissions	Metric tons CO2e	80,781	125,352	190,410
Gases included in the calculation	Description			CO2, CH4, N2O
Biogenic CO2 emissions	Metric tons CO2e			390
Base year for the calculation	Year	2017	2018	2019
Gross location-based energy indirect (Scope 2) GHG emissions	Metric tons CO2e	103	95	82.85
Gases included in the calculation	Description			CO2, CH4, N2O
Base year for calculation	Year	2017	2018	2019
Consolidation approach for emissions	Description			Operational control
Gross other indirect (Scope 3) GHC emissions	Metric tons CO2e	35,065	37,079	38,193.94
Gases included in the calculation	Description			CO2, CH4, N2O
Biogenic CO2 emissions (Scope 3)	Metric tons CO2e	n.d.	n.d.	3,754.43
Base year for calculation	Year	2017	2018	2019
GHC emissions Intensity ratio for the organization	Metric tons CO2e	n.d.	n.d.	0.030010312
Organization-specific metric chosen to calculate the ratio	boe	n.d.	n.d.	6,347,566
Types of GHC emissions included	Description			Scope 1 + 2
Gases included in the calculation	Description			CO2, CH4, N2O
GHC emissions reduced as a direct result of reduction initiatives	Metric tons CO2e	n.d.	n.d.	11,646.26
Gases included in the calculation	Description			CO2, CH4, N2O
Base year for the calculation	Year	2017	2018	2019
Scopes in which reductions were achieved	Description			Scope 1 + 3
Production, imports and exports of ODS (CFC-11e)	Metric tons of CFC-11			0
	Tons Nox	n.d.	n.d.	981.01
	Tons Sox	n.d.	n.d.	563.92
	Tons COV	n.d.	n.d.	1,321.62
Volume of flared and vented hydrocarbon	Thousand cubic ft	245,156	785,266	1,488,719
Effuents and waste	Unit	2017	2018	2019
Total volume of discharged water by destination	Cubic meters	5,098,300	4,970,350	7,323,587
Total volume of discharges that were reused by another organization	Cubic meters	0.00	0.00	0.00
Total weight of hazardous waste	Kilograms	175,972	201,212	648,800
Total weight of hazardous waste that has been reused	Kilograms	N/A	N/A	N/A
Total weight of hazardous waste that has been recycled	Kilograms	n.d.	n.d.	53,561
Total weight of hazardous waste that is incinerated (mass incineration)	Kilograms	n.d.	n.d.	76,059
Total weight of hazardous waste that is reinjected in deep wells	Kilograms	N/A	N/A	N/A
Total weight of hazardous waste disposed in landfills	Kilograms	n.d.	n.d.	78,997
Total weight of hazardous waste that is stored on site	Kilograms	N/A	N/A	N/A
Total weight of hazardous waste that is otherwise eliminated	Kilograms	n.d.	n.d.	440,184
Total weight of non-hazardous waste	Kilograms	809,302	1,478,624	5,499,595
Total weight of non-hazardous waste that has been recycled	Kilograms	n.d.	n.d.	155,049
Total weight of non-hazardous waste used for composting	Kilograms	n.d.	n.d.	24,488
Total weight of non-hazardous waste that is reinjected in deep wells	Kilograms	N/A	N/A	N/A
Total weight of non-hazardous waste disposed in landfills	Kilograms	n.d.	n.d.	114,101
Total weight of non-hazardous waste that is stored on site	Kilograms	N/A	N/A	N/A
Total weight of non-hazardous waste that is otherwise eliminated	Kilograms	n.d.	n.d.	5,205,958
Total number of recorded significant spills	number	1	2	0
Total volume of recorded significant spills	number of bbls	3	201	0
Total number of significant spills recorded in transport	number	1	3	0
Total volume of significant spills in transport	number of bbls	3	57.35	0
Volume and disposal of formation or produced water	Cubic meters	n.d.	n.d.	7,261,713
Amount of drilling waste (drill mud and cuttings)	number of bbls	46,402	232,246	200,379
Total weight of hazardous waste transported	Kilograms	n.d.	n.d.	648,800
Total weight of hazardous waste imported	Kilograms	n.d.	n.d.	0
Total weight of hazardous waste exported	Kilograms	n.d.	n.d.	0
Total weight of hazardous waste treated	Kilograms	n.d.	n.d.	0
Total weight of hazardous waste transported abroad	Kilograms	n.d.	n.d.	0

SOCIAL

EMPLOYMENT				
Information on employees and other workers	Unit	2017	2018	2019
Total number of employees Colombia + Canada	number	320	318	339
Total number of female employees Colombia + Canada	number	104	105	109
Total number of male employees Colombia + Canada	number	216	213	230
Total number of employees Colombia	number	279	277	295
Total number of employees Canada	number	41	41	44
Total number of female employees Colombia	number	88	88	92
Total number of male employees Colombia	number	191	189	203
Total number of female employees Canada	number	16	17	17
Total number of male employees Canada	number	25	24	27
Total number of temporary employees Colombia + Canada	number	n.d.	n.d.	18
Total number of temporary employees Colombia	number	n.d.	9	10
Total number of temporary employees Canada	number	n.d.	n.d.	8
Total number of female temporary employees Colombia + Canada	number	n.d.	n.d.	8
Total number of male temporary employees Colombia + Canada	number	n.d.	n.d.	10
Total number of female temporary employees Colombia	number	n.d.	5	5
Total number of male temporary employee Colombia	number	n.d.	4	5
Total number of female temporary employees Canada	number	n.d.	n.d.	3
Total number of male temporary employee Canada	number	n.d.	n.d.	5
Total number of employees Bogotá	number	205	203	220
Total number of employees Yopal	number	57	57	54
Total number of employees Barranca	number	14	14	15
Total number of employees Tame	number	3	3	6
Total number of temporary employees Bogotá	number	n.d.	7	9
Total number of temporary employees Yopal	number	n.d.	1	0
Total number of temporary employees Barranca	number	n.d.	1	1
Total number of temporary employees Tame	number	n.d.	0	0
Total number employees on permanent 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 employees under 30 years old Colombia + Canada	number	n.d.	29	53
Total number of employees between 31 and 50 years old Colombia + Canada	number	n.d.	251	247
Total number of employees over 51 years old Colombia + Canada	number	n.d.	38	39
Total number of employees under 30 years old Colombia	number	67	27	51
Total number of employees between 31 and 50 years old Colombia	number	192	223	216
Total number of employees over 51 years old Colombia	number	20	27	28
Total number of employees under 30 years old Canada	number	n.d.	2	2
Total number of employees between 31 and 50 years old Canada	number	n.d.	28	31
Total number of employees over 51 years old Canada	number	n.d.	11	11
New employee hires and employee turnover	Unit	2017	2018	2019
Total number of new employee hires Colombia + Canada	number	34	11	39
Total number of new female employee hires Colombia + Canada	number	9	5	13
Total number of new male employee hires Colombia + Canada	number	25	6	26
Total number of new employee hires under 30 years old Colombia + Canada	number	11	3	12
Total number of new employee hires between 31 y 50 years old Colombia + Canada	number	20	7	26
Total number of new employee hires over 51 years old Colombia + Canada	number	3	1	1
Total number of new employee hires Colombia	number	34	9	34
Total number of new female employee hires Colombia	number	9	4	12
Total number of new male employee hires Colombia	number	25	5	22
Total number of new employee hires under 30 years old Colombia	number	11	3	12
Nuevas contrataciones entre 31 y 50 años de edad Colombia	number	20	6	21
Total number of new employee hires over 51 years old Colombia	number	3	0	1
Total number and percentage of new employee hires Bogotá	number and %	28 (10.04%)	8 (2.89%)	29 (9.8%)
Total number and percentage of new employee hires Yopal	number and %	4 (1.43%)	0 (0%)	2 (0.7%)
Total number and percentage of new employee hires Barranca	number and %	1 (0.36%)	1 (0.36%)	2 (0.7%)
Total number and percentage of new employee hires Tame	number and %	1 (0.36%)	0 (0%)	1 (0.3%)
Total number of new employee hires Canada	number	0	2	5
Total number of new male employee hires Canada	number	0	1	4
Total number of new female employee hires Canada	number	0	1	1
Total number of new employee hires under 30 years old Canada	number	0	0	0
Total number of new employee hires between 31 and 50 years old Canada	number	0	1	5
Total number of new employee hires over 51 years old Canada	number	0	1	0
Total number of employee turnover Colombia	number	16	11	16
Total number of female employee turnover Colombia	number	5	4	8
Total number of male employee turnover Colombia	number	11	7	8
Total number of employee turnover Bogotá	number	13	10	11
Total number of employee turnover Yopal	number	2	0	4
Total number of employee turnover Barranca	number	1	1	1
Total number of employee turnover Tame	number	0	0	0
Total number of employee turnover under 30 years old	number	6	2	0
Total number of employee turnover between 31 and 50 years old	number	9	9	16
Total number of employees turnover over 51 years old	number	1	0	0
Employee turnover rate Colombia + Canada	%	n.d.	4.09	5.31
Employee turnover rate Colombia	%	5.7	3.97	5.42
Employee turnover rate Canada	%	7.3	5.0	5.0

Employees by employment status Colombia + Canada	Unidad	2017	2018	2019
Total number of administrative level employees	number	n.d.	24	27
Total number of professional level employees	number	n.d.	103	109
Total number of junior professional level employees	number	n.d.	18	22
Total number of junior technical professional level employees	number	n.d.	20	21
Total number of leader level employees	number	n.d.	17	17
Total number of management level employees	number	n.d.	19	23
Total number of senior management level employees	number	n.d.	2	1
Total number of senior professional level employees	number	n.d.	32	31
Total number of senior technical professional employees	number	n.d.	24	28
Total number of technical professional level employees	number	n.d.	48	48
Total number of Vice-president level employees	number	n.d.	5	4
Total number of senior vice-president level employees	number	n.d.	4	6
Total number of CEO & President level employees	number	n.d.	2	2
Composition of senior executive positions	Unidad	2017	2018	2019
"Proportion of senior management hired from the local community (Colombia: President and Senior Vice-President)"	%	n.d.	n.d.	0
Parental leave	Unidad	2017	2018	2019
Total number of female employees that were entitled to parental leave Colombia y Canada	number	n.d.	6	7
Total number of male employees that were entitled to parental leave Colombia y Canada	number	n.d.	14	3
"Total number of female employees that returned to work who have returned after parental leave in 2019"	number	n.d.	6	7
"Total number of male employees that returned to work who have returned after parental leave in 2019"	number	n.d.	14	3
"Total number of male employees that returned to work after the parental leave ended that are still employed 12 months after their return to work"	number	n.d.	14	3
"Total number of female employees that returned to work after the parental leave ended that are still employed 12 months after their return to work"	number	n.d.	6	7
"Percentage of male employees that returned to work who have returned after parental leave in 2019"	%	n.d.	100	100
"Percentage of female employees that returned to work who have returned after parental leave in 2019"	%	n.d.	100	100
Training and education	Unidad	2017	2018	2019
Total number of hours of training Colombia	hours	n.d.	18,237	27,730
Average hours of training Colombia	%	108	66	94
Average hours of training for females Colombia	%	n.d.	n.d.	102
Average hours of training for males Colombia	%	n.d.	n.d.	90
Total number of hours of training for females Colombia	hours	n.d.	n.d.	9,377
Total number of hours of training for males Colombia	hours	n.d.	n.d.	18,353
Total number of technical and professional hours of training for females Colombia	hours	n.d.	5,281	8,190
Total number of english hours of training for females Colombia	hours	n.d.	1,803	1,187
Total number of technical and professional hours of training for males Colombia	hours	n.d.	9,182	16,687
Total number of english hours of training for males Colombia	hours	n.d.	1,971	1,666
Employee evaluation	Unidad	2017	2018	2019
"Percentage of employees receiving regular performance and creer development reviews Colombia + Canada"	%	100	100	100
OCCUPATIONAL HEALTH AND SAFETY	Unidad	2017	2018	2019
Average number of workers from contractors per month / year	"Average number per month"	n.d.	4,760	6,113
Coverage of OHSMS	% of all workers	100	100	100
Lost time injury frequency (LTIF)	"incidents/million hours worked"	0.59	0.43	0.27
Total recordable injury frequency (TRIF)	"incidents/million hours worked"	2.56	1.73	1.11
Fatality accident rate (FAR)	%	0	0	0
Road accident frequency (MVA)	Rate	1.02	0.53	0.13
Occupational illnesses and diseases	number	n.d.	n.d.	0
Occupational disease absenteeism rate	%	n.d.	1.18	1.39
Occupational disease incidence rate	%	n.d.	0	0
Occupational disease prevalence rate	%	n.d.	0	0
REQUESTS, COMPLAINTS AND CLAIMS	Unidad	2017	2018	2019
Total requests, complaints and claims	number	406	580	494
Requests on diverse topics	number	99	210	234
Requests on employment opportunities	number	59	41	33
Right to petition	number	24	42	18
Total petitions	number	182	293	285
Environmental complaints and claims	number	25	25	13
Contractor-related complaints and claims	number	90	125	126
Complaints and claims related to land owners	number	40	65	56
Complaints and claims related to road deterioration/maintenance	number	31	40	8
Complaints and claims related to emissions of particled material	number	7	7	6
Complaints and claims related to goods and services	number	23	6	n.d.
Complaints and claims related to salaries and benefits	number	8	19	n.d.
Total complaints and claims	number	224	287	209
Total requests, complaints, and claims solved and filed	number	375	568	483
Ongoing requests, complaints, and claims	number	31	12	11

NUMBER OF SOCIAL INVESTMENT PROJECTS AND FAMILIES BENEFITTED		Unit	2017	2018	2019
Total families benefitted	number of families benefitted		n.d.	n.d.	4,505
Total projects executed	number of projects		n.d.	n.d.	135
LOCAL EMPLOYMENT		Unit	2017	2018	2019
Total local employment generated	number		n.d.	3,815	3,615
Total local employment generated female	number		n.d.	n.d.	868
Total local employment generated male	number		n.d.	n.d.	2,747
Total skilled labor	number		n.d.	318	373
Total unskilled labor	number		n.d.	3,497	3,242
LOCAL PURCHASES		Unit	2017	2018	2019
Total procurement of goods and services	M USD		192.58	245.17	318.94
Total procurement of local goods and services	M USD		16.69	31.45	94.00
Total procurement of local goods and services for civil works	M USD		3.80	7.22	7.68
Total procurement of local goods and services for engineering and workover	M USD		0.13	0.22	0.47
Total procurement of local goods and services for maintenance	M USD		0.57	0.29	0.68
Total procurement of local goods and services for dry load transportation	M USD		0.86	2.48	3.50
Total procurement of local goods and services for environment, health and quality	M USD		1.71	2.40	2.12
Total procurement of local goods and services for passenger transport	M USD		1.74	1.84	1.64
Total procurement of local goods and services for the transport of crude oil	M USD		2.07	6.88	11.81
Total procurement of local goods and services for water and waste management and disposal	M USD		2.16	3.21	1.74
Total procurement of local goods and services for facilities	M USD		3.03	5.70	5.72
Total procurement of other local goods and services	M USD		0.63	1.22	0.88
SUPPLY CHAIN		Unit	2017	2018	2019
Total number of contractor companies	number		442	468	542
Number of national companies in the supply chain	number		269	306	364
Number of regional companies in the supply chain	number		139	125	144
Number of regional companies in the supply chain	number		34	37	34
HUMAN RIGHTS		Unit	2017	2018	2019
Employee training in human rights policies or procedures	% of employees		n.d.	n.d.	87%
Security staff trained in human rights policies or procedures	% of company's security staff		n.d.	n.d.	100

GOVERNANCE STRUCTURE

COMPOSITION OF THE HIGHEST GOVERNANCE BODY		Unit	2017	2018	2019
Male members of the Board of Directors	number and %		8 (80%)	8 (80%)	8 (80%)
Female members of the Board of Directors	number and %		2 (20%)	2 (20%)	2 (20%)
Members of the Board of Directors between 50-55 years old	number		3	2	1
Members of the Board of Directors between 50-55 years old	number		3	3	4
Members of the Board of Directors between 61-65 years old	number		3	3	3
Members of the Board of Directors between 66-70 years old	number		1	2	2
ETHICS AND TRANSPARENCY		Unit	2017	2018	2019
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	number		n.d.	0	0
Confirmed incidents of corruption and actions taken	number		n.d.	0	0
Claims due to unjustified layoffs / harassment Parex - HR	number		n.d.	1	0
Claims concerning violation of human rights	number		n.d.	0	0
Non-compliance with environmental laws and regulations	number		0	0	0
Cases of discrimination	number		0	0	0



EXTERNAL ASSURANCE APPENDIX

■ GRI 102-52

Appendix I

GRI 102-52

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

These assessment criteria are an integral part of our independent practitioner's limited assurance report on the 2019 Sustainability Report of Parex Resources Colombia Ltd. Sucursal for the year ended December 31, 2019.

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
GRI 201-1 Direct economic value generated and distributed	<p>The Company's Administration included in its Sustainability Report 2019 (hereinafter "IS19" by its acronym in Spanish) the result of the GRI indicator 201-1 corresponding to "Direct economic value generated and distributed" for the period from January 1 to December 31 2019 (hereinafter "year under review") for Parex Resources Inc. Company (hereinafter "reporting company"), taking as a reference the provisions on page 6 of the Disclosure GRI 201: Economic performance, as presented below:</p> <p>a. The direct economic value generated and distributed (EVG&D) is defined as:</p> <p>Direct economic value generated:</p> <ol style="list-style-type: none"> Revenue: corresponds to the figure expressed in millions of United States dollars (USD), determined by the amount of total sales of oil and gas according to the terms of the contracts. The information was extracted from the heading "Oil and natural gas sales" (page 6), section "Consolidated Statements of Comprehensive Income" of the document "Consolidated Financial Statements" which is available at the link: https://parexresources.com/wp-content/uploads/2020/03/PXT_12-31-2019.FSMDA-r372-FINAL-COMBINED.pdf <p>Economic value distributed:</p> <ol style="list-style-type: none"> Operating costs: these costs are understood as the costs expressed in millions of US dollars (USD) that the reporting company took on, which reflects the costs to produce the volumes of oil and gas. Also includes the value of transporting these volumes to achieve their commercialization, and finally, includes the cost of acquiring some volumes of crude that were used to put the product into commercialization conditions. The information was extracted from the "production", "transportation" and "Purchased oil" items in the "Expenses" section (page 6) of the document 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>"Consolidated Financial Statements" which is available at the link: https://parexresources.com/wp-content/uploads/2020/03/PXT_12-31-2019.FSMDA-r372-FINAL-COMBINED.pdf</p> <ol style="list-style-type: none"> Employee wages and benefits: the payroll includes the salaries of employees, including the amounts paid to government institutions (taxes, levies and unemployment funds) on behalf of employees. People who perform tasks in the organization but are not direct employees are not included here. Total social benefits include regular contributions (social contributions, company vehicles and private health insurance), as well as other social benefits in the form of housing, subsidized credits, transport aid, education grants and severance payments. They do not include training, cost of protective equipment or other items of expense directly related to the task performed by the employee. The information was extracted from note 20 "Employee Salaries and Benefit Expenses" (page 31) of the document "Consolidated Financial Statements" which is available at the link: https://parexresources.com/wp-content/uploads/2020/03/PXT_12-31-2019.FSMDA-r372-FINAL-COMBINED.pdf. The salary and benefits figure are expressed in millions of United States Dollars (USD). Payments to providers of capital: it is reported as zero because, during 2019, the reporting company did not use the credit facility it has. The information was extracted from the section "Management's Discussion and Analysis" (MD&A) subsection "Liquidity and Capital Resources" (page 21) of the Consolidated Financial Statements which is available at the link: https://parexresources.com/wp-content/uploads/2020/03/PXT_12-31-2019.FSMDA-r372-FINAL-COMBINED.pdf. Payments to the government: corresponds to all company taxes (corporate, profits, activity, etc.), expressed in millions of United States dollars (USD), paid at the international, national, municipal and local levels. This figure does not include deferred taxes, as they may not occur. The information was extracted from the document "ESTMA" available at the link: https://parexresources.com/wp-content/uploads/2020/07/Parex-ESTMA-2019-Report-incl-disclosure.pdf for what refers to "taxes" and "royalties". Community Investments: corresponds to the information parameterized in the SAP system, included in the documents "Capex Cuentas RSE Ene-Dic 2019.xlsx" and "Opex Cuentas RSE Ene-Dic 2019.xlsx" provided by the Department of Corporate Social Responsibility (hereinafter, CSR). This information responds to the balances presented, for this criteria, in millions of United States dollars (USD), in the following accounts: 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

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GRI 102-52

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<ul style="list-style-type: none"> OPEX: corresponds to accounts 761917926, 761917927, 761917928, 761917929, 761917930 related to social investment. CAPEX: corresponds to accounts 715810065, 715810105, 715810210, 715810220, 715810385 related to social investment. <p>Economic value retained: corresponds to "direct economic value generated" minus "Economic value distributed", expressed in millions of United States dollars (USD).</p> <p>b. The EVG&D was not reported separately at the national, regional or market level since it is not presented in this way in the financial statements.</p> <p>The scope of the assurance was limited to the crossing of the information reported in the IS19 in relation to the sources mentioned in the criteria supplied by the Financial Management; to the validation and recalculation of the formulas established in the criteria based on the information included in those sources, and it did not include the assessment of the reasonability of the sources mentioned in the criteria or the integrity of the financial statements for the year under review.</p>	<p>✓</p> <p>✓</p> <p>✓</p>
GRI 205-3 Confirmed incidents of corruption and actions taken	<p>The Company's Administration included in its IS19 the result of the GRI indicator 205-3 corresponding to "Confirmed incidents of corruption and actions taken" for companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter "reporting companies") for the period from January 1 to December 31 2019 (hereinafter "year under review"), based on the provisions of page 9 of the Disclosure GRI 205: Anti-Corruption (2016) of the Global Reporting Initiative (GRI) Standards (2016), and in line with the procedures established by the Company's Administration, as presented below:</p> <p>a. Total number and nature of confirmed incidents of corruption: corresponds to the sum of the number of cases in the two channels listed below and that are classified as cases of "corruption" in the Complaints, grievances and suggestions (PQR by its acronym in Spanish) requirements and "Corruption and bribery" requirements in the EthicsPoint.</p>	<p>✓</p> <p>✓</p>

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>Corruption is understood as any violation of the Anti-Bribery and Anti-Corruption Policies, where anti-bribery and anti-corruption are defined as:</p> <p>"In Canada, the Foreign Public Officials Corruption Act, (the "Act") provides that each person who commits an offense to obtain or retain a privilege in the course of business, which directly or indirectly from, offers or agrees to give or receive a loan, reward, advantage or benefit of any kind, to a foreign public official or to any person, for their benefit, as consideration for an act of omission of the official in connection with the performance of the functions or duties of the official, or to induce the official to use his position to influence any act or decision of the foreign state, or international public organization, for which the official performs duties or functions. The Company has adopted the Anti-Bribery and Anti-Corruption Policy, and all directors, officers, consultants and employees of the Company must strictly and fully comply with said Policies and certify their compliance every year."</p> <p>So, the number of cases that have been classified as "corruption" within the operation/organization, refers to the sum of the confirmed cases of the requirements that reach the two official channels in the reporting companies:</p> <ol style="list-style-type: none"> The PQRS system through the email quejasycalamos@parexresources.com that is managed in Colombia and can be used by all stakeholders. After receiving a PQRS request by any of the means, a code is assigned and it is consolidated in the Excel document "Copy of EXCEL DE REGISTRO Y SEGUIMIENTO PQR-2019.xlsx"; which is managed by the PQRS Professional management, from the department: Legal Management of Regulatory Compliance. EthicsPoint, a platform managed in Canada, linked to Whistleblower's policy, in which anyone involved with the reporting companies can upload their requirements. The reports received through the "Ethicspoint" can be classified into 20 categories, one of which refers to "corruption and bribery", after that: "The President, the Chief Financial Officer and the Controller of the Corporation will receive notifications by email of all reports submitted, unless any or all of these individuals are involved in the report. If any or all these people are involved in the report, the report notification will be sent to the Corporate Governance Committee and the person(s) involved will not have access 	<p>✓</p> <p>✓</p> <p>✓</p>

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GRI 102-52

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	to said report." Therefore, the report of this platform is kept in the System of the reporting companies.	
	b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	✓
	Corresponds to the number of cases that have been classified as "corruption" in the PQR requirements and "Corruption and Bribery" in the EthicsPoint requirements, relating employees, and that have been received through the channels defined by the reporting companies, which are: <ul style="list-style-type: none"> EthicsPoint quejasyrecalmos@parexresources.com The number of confirmed incidents in which an employee has been dismissed for corruption, or disciplinary action has been taken, corresponds to the sum of the cases reported in Whistleblower or through the PQRS system on which disciplinary measures for employees were taken.	✓
	c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	✓
	Corresponds to the number of cases that have been classified as "corruption" in the PQR requirements and "Corruption and Bribery" in the EthicsPoint requirements, relating contractors, and that have been received through the channels defined by the reporting companies, which are: <ul style="list-style-type: none"> EthicsPoint quejasyrecalmos@parexresources.com The total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption corresponds to the sum of the confirmed cases of corruption in the "EthicsPoint" and the PQR system that caused the termination or non-renewal of contracts with business partners for offenses related to corruption.	✓
	d. Public legal cases regarding corruption brought against the organization or its employees during the year under review and the outcomes of such cases	✓

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GRI 102-52

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<ul style="list-style-type: none"> Surface water: corresponds to the sum of withdrawal data for surface water bodies presented below, whose documentary supports are the water withdrawal records: <ul style="list-style-type: none"> La Macaguana creek, in Capachos block. Upia river, in Cabrestero block. Casanare river, in Llanos 10 block. Cáceres river, in Morpho block. Likewise, this category includes the rainwater collected, in accordance with the Disclosure GRI 303-3, for which, the water collected from the pool is contemplated in the calculation, a process of rainwater collection established in the following blocks: <ul style="list-style-type: none"> Llanos 32. Playón. Groundwater: corresponds to the sum of the water catchment records for the period under review of the deep wells located in the locations presented below, whose documentary supports are the water withdrawal records: <ul style="list-style-type: none"> Llanos 40 deep well, Celtis location. Llanos 32 deep well, Kananaskis and Carmentea location. Llanos 30 deep well, Adalia location. Llanos 26 deep well, Rumba location. Llanos 16 deep well, Kona location. Produced water: corresponds to the total volume of water that enters within the organization's boundaries as a result of the extraction of crude oil, and consequently, the reporting companies must manage it. This information is managed by the Operations Management for the formation water which is generated in the operations in the year under review, whose documentary supports correspond to the Production Forms, for the following locations: <ul style="list-style-type: none"> De Mares - Aguas blancas. Cabrestero. Capachos. Llanos 16. 	✓
		✓
		✓
		✓

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	Corresponds to the number of public legal cases regarding corruption brought against the reporting companies or its employees, in accordance with the document "Certificación PWC 2019.pdf" whose subject is "Certificación Ausencia Casos de Corrupción" in English "Certification Absence Cases of Corruption". This information is processed through Legal Management of Regulatory Compliance, which leave individual record for each of the cases of this nature. This information is managed by the Manager of this area, who keeps records and manages the cases.	✓
	The scope of the assurance was limited to the crossing of the information reported in the IS19 in relation to the sources mentioned in the criteria supplied by the Legal Management of Regulatory Compliance, to the validation of the number of corruption cases in accordance with the information in the sources of the criteria and the validation, on test basis. It did not include: a) the evaluation of whether the cases correspond to bribery or corruption; b) the evaluation of whether the disciplinary measures taken against the collaborators correspond to a dismissal or sanction; c) The evaluation of whether the confirmed cases related to business partners correspond to infractions related to corruption. It did not include the assessment of the reasonability of the sources mentioned in the criteria or the integrity of the documentation supports for the year under review.	✓
GRI 303-3 (2018) Water withdrawal	The Company's Administration included in its IS19 the result of the GRI indicator 303-3 corresponding to "Water withdrawal" for companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter "reporting companies") for the period from January 1 to December 31 2019 (hereinafter "year under review"), based on the provisions of Disclosure GRI 303: Water and Effluents (2018) (page 9), as indicated below:	✓
	a. Total water withdrawal from all areas (in megaliters): corresponds to the sum of the recorded water consumption values for the year under review (in megaliters), for the extraction sources recorded in the document "GRI VF3_19.xlsx", which is administered by Environmental and Quality Management, based on data from annual extraction of Surface water, Groundwater, Produced water and Third-party water from the reporting companies.	✓
	b. Total water withdrawal from all areas (in megaliters) broken down according to the following sources:	✓

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<ul style="list-style-type: none"> Llanos 26. Llanos 30. Llanos 32. Llanos 40. Ocarros. Playón. Fortuna. Totumal. 	
	<ul style="list-style-type: none"> Third party water: corresponds to the sum of the annual volume of water purchased from municipal water providers and private providers in the following areas of operation, whose documentary supports are the collection and purchase records: <ul style="list-style-type: none"> De Mares - Aguas blancas. Cabrestero. Llanos 10. Llanos 26. Llanos 40. Morpho. Ocarros. Playón. SSJN5 - VIM1. Fortuna. The source information to calculate the total water withdrawal for each of the previously mentioned categories is found in the document "GRI VF3_19.xlsx", which is administered by the Environmental and Quality Management. Total water withdrawal from all areas with water stress (in megaliters): the reporting companies do not have operations located in areas with water stress, in accordance with the provisions of environmental studies of the areas in which they operate, which are presented to the respective environmental authority. In cases where the water scarcity index information is not found in this document, it is supported with public information from the Aqueduct Water Risk Atlas of the World Resources Institute. 	✓
		✓
		✓

PwC

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GRI 102-52

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>d. The breakdown of the total water withdrawal from each of the sources of Surface water, Groundwater, Produced water and Third-party water is carried out as follows:</p> <ul style="list-style-type: none"> The sources of surface water, groundwater and third-party water withdrawal correspond to the category of "fresh water", which is, water with concentration of total dissolved solids equal to or below than 1,000 mg/L, as established in the Disclosure GRI 303-3. This is supported with the water characterization reports. The produced water corresponds to the category of "Other water" (>1,000 mg/L total dissolved solids), which is supported by the respective water characterization reports. <p>e. The contextual information necessary to understand how the data has been collected corresponds to the sum of the water withdrawal records, built based on the information obtained from the flow meters of the extraction points, and its consolidation by the Environmental Management and Quality for the categories of Surface water, Groundwater and Third-party water, while the information of the Produced water is managed by the Operations Management and, subsequently, is consolidated by the Environmental and Quality Management for the report of the GRI 303 Indicator "Water withdrawal".</p> <p>The scope of the assurance was limited to the crossing of the information reported in the IS19 in relation to the sources mentioned in the criteria supplied by the Environmental and Quality Management; to the validation, on a sample basis, of the existence of the water withdrawal records; and to the recalculation of the established formulas in the criteria based on the information included in those sources; and it did not include the evaluation of the reasonableness of the sources mentioned in the criteria or the evaluation of the integrity of the water withdrawal records in the year under review.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
GRI 305-1 Direct (Scope 1) GHG emissions	The Company's Administration included in its IS19 the result of the GRI indicator 305-1 corresponding to "Direct (Scope 1) GHG emissions" for the companies Parex Resources Colombia Ltd. Sucursal, Verano Energy Limited Sucursal and Parex Resources Inc. (hereinafter, "reporting companies") for the period from January 1 to December 31 2019 (hereinafter "year under review"), taking as a basis what is established in the Disclosure GRI 305: Emissions (2016) (page 7), as indicated below:	<p>✓</p> <p>✓</p>

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>a. Gross direct (scope 1) GHG emissions in metric tons of CO₂ equivalent: corresponds to the calculation of the total direct emissions of Greenhouse Gases (GHG) generated by the reporting companies in the year under review, with the application of the following formula:</p> <p>Direct (scope 1) GHG emissions in Ton de CO₂equivalent = Ton of CO₂ equivalent from fuel burning activities + Ton of CO₂ equivalent from fugitive emissions from fuel manufacturing + Ton of CO₂ equivalent for the use of products as substitutes for those that deplete the ozone layer.</p> <p>The foregoing, in accordance with the provisions of the 2019 Greenhouse Gas Inventory of the reporting companies, which is found in the document "VF_Informe 2020 Parex_28_05_2020.docx.pdf", as well as the detail of the calculations of this indicator established in the file "20200428 CALCULOS OPERACIONAL PAREX FINAL fusion 30_03_2020 REV Biogenicas .xlsx ", where the detail of the Emission Factors (FE) that were defined by the reporting companies are. Both documents are managed by the Operations Management.</p> <p>The emission sources considered in the calculation of this indicator correspond to:</p> <p>Direct emissions from stationary sources: Fuel burn (diesel, natural gas and crude oil) for power generation, gas leakage from refrigeration systems, and fugitive emissions from the operation (natural gas burning, venting and leaking, extraction and production).</p> <p>b. The gases included in the calculation of direct GHG emissions are: Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O) and Hydrofluorocarbons (HFC).</p> <p>c. Biogenic CO₂ emissions: correspond to 10% of the emissions from the consumption of Diesel, considering that the commercialization in Colombia of this fuel has an approximate content of 8% to 10% of biofuels, as reported in the document "VF_Informe 2020 Parex_28_05_2020.docx.pdf". These Scope 1 emissions are reported independently of fossil carbon emissions.</p> <p>d. Base year for the calculation: 2017.</p> <p>e. Consolidation approach for direct Greenhouse Gas emissions: Operational control.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>f. Standards, methodologies and assumptions: the reporting companies carried out the calculation of emissions in accordance with the provisions of the document "VF_Informe 2020 Parex_28_05_2020.docx.pdf", which establishes the following:</p> <p>"To carry out the calculations, Methodological level 1 and 2 were used, in accordance with the good practices suggested by the Guidelines of the Intergovernmental Panel on Climate Change experts (IPCC, 2006) in each of the categories identified as emission sources. The emission summary tables are also presented in line with the mentioned guidelines. (...)</p> <p>The reason to choose these methodologies is that they are accepted at the international level, and they are in line with the requirements defined in the Colombian National Climate Change Policy of the Ministry of Environment and Sustainable Development for the reporting of organizational inventories of GHGs at the national level.</p> <p>To calculate the emissions associated with each gas, the method that was used consists of combining the information on the scope limited to human activities (Knows as activity data or DA by its acronym in Spanish) with the coefficients used to quantify emissions or absorption by unit activity, otherwise known as emission factors (FE by its acronym in Spanish). With that in mind, the basic equation is:</p> <p style="text-align: center;">Emissions = DA * FE</p> <p>In some circumstances it was necessary to modify the basic equation to include other estimation parameters different from the emission factors, as indicated in the methodology."</p> <p>The Global Warming Potential for each of the Greenhouse Gases that are part of the calculation of this indicator is presented in the following table:</p>	<p>✓</p> <p>✓</p> <p>✓</p>

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A																																												
	<table border="1" style="width: 100%;"> <thead> <tr> <th>Gas</th> <th>Global Warming Potential</th> </tr> </thead> <tbody> <tr> <td>Carbon dioxide (CO₂)</td> <td>1 (IPCC, 2007)</td> </tr> <tr> <td>Methane (CH₄)</td> <td>25 (IPCC, 2007)</td> </tr> <tr> <td>Nitrous oxide (N₂O)</td> <td>298 (IPCC, 2007)</td> </tr> <tr> <td>HFC: R/22</td> <td>1810 (IPCC, 2007)</td> </tr> <tr> <td>HFC: R/134a</td> <td>1430 (IPCC, 2007)</td> </tr> <tr> <td>HFC: R/410a</td> <td>2088 (IPCC, 2007)</td> </tr> </tbody> </table> <p>The emission factors that were used in the calculation are presented below, according to the Greenhouse Gas Inventory of the reporting companies for the year under review, which is found in the document "VF_Informe 2020 Parex_28_05_2020.docx.pdf" and in the document "Fe e incertidumbre usados en Cálculos Parex 3-2018.xlsx".</p> <ul style="list-style-type: none"> Fuel burned to generate energy <p>The reporting companies used CO₂ emission factors, density and caloric values provided by FECOC (2016). Emission factors for Methane and Nitrous Oxide were taken from the Intergovernmental Panel on Climate Change Experts (IPCC) (2006) for each type of fuel.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Fuel type / Combustion type</th> <th>Density (Kg/l)</th> <th>Net caloric power (TJ/Kg)</th> <th>FE CO₂ (Kg/TJ)</th> <th>FE CH₄ (Kg/TJ)</th> <th>FE N₂O (Kg/TJ)</th> </tr> </thead> <tbody> <tr> <td>Crude - stationary</td> <td>0.939</td> <td>0.000041</td> <td>77,956</td> <td>5.5</td> <td>1.1</td> </tr> <tr> <td>Diesel - stationary</td> <td>0.86</td> <td>0.000042149</td> <td>74,831</td> <td>5.5</td> <td>1.1</td> </tr> <tr> <td>Gas - stationary Colombia</td> <td>0.78</td> <td>0.000036</td> <td>55,539</td> <td>1.7</td> <td>0.2</td> </tr> <tr> <td>Gas - stationary Canada.</td> <td>0.78</td> <td>0.000036</td> <td>56,300</td> <td>1.7</td> <td>0.2</td> </tr> </tbody> </table> <p>The International Metric System and the references of the metrology unit of the Superintendence of Industry and Tourism of Colombia were used to carry out the unit conversion process.</p> <ul style="list-style-type: none"> Fugitive emissions 	Gas	Global Warming Potential	Carbon dioxide (CO ₂)	1 (IPCC, 2007)	Methane (CH ₄)	25 (IPCC, 2007)	Nitrous oxide (N ₂ O)	298 (IPCC, 2007)	HFC: R/22	1810 (IPCC, 2007)	HFC: R/134a	1430 (IPCC, 2007)	HFC: R/410a	2088 (IPCC, 2007)	Fuel type / Combustion type	Density (Kg/l)	Net caloric power (TJ/Kg)	FE CO ₂ (Kg/TJ)	FE CH ₄ (Kg/TJ)	FE N ₂ O (Kg/TJ)	Crude - stationary	0.939	0.000041	77,956	5.5	1.1	Diesel - stationary	0.86	0.000042149	74,831	5.5	1.1	Gas - stationary Colombia	0.78	0.000036	55,539	1.7	0.2	Gas - stationary Canada.	0.78	0.000036	56,300	1.7	0.2	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A																																							
	<p>The emission factors of the IPCC (2006) that are presented below were used:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>FE CH₄</th> <th>FE CO₂</th> <th>FE N₂O</th> <th>Unidad</th> </tr> </thead> <tbody> <tr> <td>Gas production</td> <td>0.00038</td> <td>0.000014</td> <td>N/A</td> <td>Gg per 1,000,000 m³ of gas production</td> </tr> <tr> <td>Gas transportation</td> <td>0.0011</td> <td>0.000051</td> <td>N/A</td> <td>Gg per 1,000,000 m³ of distributed gas</td> </tr> <tr> <td>Crude Oil Production</td> <td>0.0000015</td> <td>0.00000011</td> <td>N/A</td> <td>Gg per 1,000 m³ of conventional oil production</td> </tr> <tr> <td>Crude transported by truck</td> <td>0.000025</td> <td>0.0000023</td> <td>N/A</td> <td>Gg per 1,000 m³ of oil production transported by tractor trucks</td> </tr> <tr> <td>Torch burning</td> <td>0.012</td> <td>2</td> <td>0.000023</td> <td>Gg por 1,000,000 m³ of burned gas production</td> </tr> </tbody> </table> <p>For emissions associated with venting, the reporting companies used the Global Warming Potential of IPCC (2015) and the average density value of gases according to chromatographies advanced by the reporting companies, which are presented in the following table:</p> <table border="1"> <thead> <tr> <th>Characteristic</th> <th>CH₄ Density (kg/m³)</th> <th>CO₂ Density (kg/m³)</th> </tr> </thead> <tbody> <tr> <td>Density</td> <td>0.68</td> <td>1.842</td> </tr> <tr> <td>Global Warming Potential</td> <td>25</td> <td>1</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Cooling and air conditioning system The IPCC Global Warming Potential (2007) was used and the amount of gas leakage was multiplied to obtain the value in CO₂ equivalent. The potentials used in this study are previously mentioned for the HFC refrigerant gases: R/22, R/134a and R/410a. <p>Approach and operational limits: the operational limits of the calculation in the Carbon Footprint Report for the year 2019 are defined, as presented below:</p>	Category	FE CH ₄	FE CO ₂	FE N ₂ O	Unidad	Gas production	0.00038	0.000014	N/A	Gg per 1,000,000 m ³ of gas production	Gas transportation	0.0011	0.000051	N/A	Gg per 1,000,000 m ³ of distributed gas	Crude Oil Production	0.0000015	0.00000011	N/A	Gg per 1,000 m ³ of conventional oil production	Crude transported by truck	0.000025	0.0000023	N/A	Gg per 1,000 m ³ of oil production transported by tractor trucks	Torch burning	0.012	2	0.000023	Gg por 1,000,000 m ³ of burned gas production	Characteristic	CH ₄ Density (kg/m ³)	CO ₂ Density (kg/m ³)	Density	0.68	1.842	Global Warming Potential	25	1	<p>✓</p> <p>✓</p> <p>✓</p>
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Global Warming Potential	25	1																																							

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GRI 102-52

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>reporting companies during the year under review, in accordance with what is indicated in the document "HPSCAN_20200707193428735 .pdf", whose subject is "Informe de la no existencia de sanciones de naturaleza ambiental en contra de Parex Resources Colombia Ltd. Sucursal" (In English "Report of the non-existence of sanctions of an environmental nature against Parex Resources Colombia Ltd. Sucursal") and the document "HPSCAN_20200707191458615.pdf" whose subject is "Informe de la no existencia de sanciones de naturaleza ambiental en contra de Verano Energy Limited Sucursal" (In English "Report of the non-existence of sanctions of an environmental nature against Verano Energy Limited Sucursal"), both delivered by the Legal Management of Regulatory Compliance. Likewise, in accordance with the consultation in the Unique Registry of Environmental Infractions (RUIA by its acronym in Spanish) of the Ministry of Environment and Sustainable Development that is available at the Integrated Site for Environmental Online Procedures (VITAL by its acronym in Spanish) at the following link http://vital.anla.gov.co/SILPA_UT_PRE/RUIA/ConsultarSancion.aspx?Ubic=ext</p> <p>b. If the organization does not identify any non-compliance with environmental laws or regulations, this fact is noted in the IS19 in a brief statement, according to the documents: "HPSCAN_20200707193428735.pdf" and "HPSCAN_20200707191458615.pdf".</p> <p>The scope of the assurance is limited to the crossing of information reported in the IS19 in regard to the sources mentioned in the criteria, provided by the Department of Corporate and Governance Matters, and to the query in the Integrated Site for Environmental Online Procedures (VITAL from its acronym in Spanish). It did not include an assessment of the reasonability of the sources mentioned in the criteria, nor the assessment of the integrity of the fines and non-monetary sanctions for the year under review.</p>	<p>✓</p> <p>✓</p>
GRI 403-9 (2018) Work-related injuries	<p>The Company's Administration included in its IS19 the result of the GRI indicator 403-9 (2018) "Work-related injuries" for companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter "reporting companies") for the period from January 1 to December 31 2019 (hereinafter, "year under review"), based on the provisions of pages 19 and 20 of the Disclosure GRI 403: Occupational Health and safety of the Global Reporting Initiative (GRI) Standard (2018), as presented below:</p> <p>a. For all employees: It is understood as the direct employees of the reporting companies.</p>	<p>✓</p> <p>✓</p>

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A												
	<p>Operational limits (activities) of the GHG inventory (Scope 1)</p> <table border="1"> <thead> <tr> <th>Activities performed in the production fields and administrative offices</th> <th>Emission sources associated to the activities</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Production of gas and crude oil</td> <td>Stationary and mobile diesel consumption</td> </tr> <tr> <td>Gas consumption</td> </tr> <tr> <td>Crude Oil Consumption</td> </tr> <tr> <td>Torch burning</td> </tr> <tr> <td>Venting</td> </tr> <tr> <td></td> <td>Fugitive emissions without transportation of gas and crude oil</td> </tr> <tr> <td>Administrative activities</td> <td>Air conditioning in operations</td> </tr> </tbody> </table> <p>Uncertainty: the uncertainty of the total inventory, estimated by the reporting companies is 8.8%.</p> <p>The scope of the assurance is limited to the crossing of information reported in the IS19 in regard to the sources mentioned in the criteria, provided by the Operations Management, to the validation, based on samples, of the existence of the source data, and to the recalculation of the final values of the established formulas in the criteria based on the information included in those sources, for selected samples. It did not include an assessment of the reasonability of the sources mentioned in the criteria, nor the assessment of the integrity of the information sources used for the calculation for the year under review.</p>	Activities performed in the production fields and administrative offices	Emission sources associated to the activities	Production of gas and crude oil	Stationary and mobile diesel consumption	Gas consumption	Crude Oil Consumption	Torch burning	Venting		Fugitive emissions without transportation of gas and crude oil	Administrative activities	Air conditioning in operations	<p>✓</p> <p>✓</p>
Activities performed in the production fields and administrative offices	Emission sources associated to the activities													
Production of gas and crude oil	Stationary and mobile diesel consumption													
	Gas consumption													
	Crude Oil Consumption													
	Torch burning													
	Venting													
	Fugitive emissions without transportation of gas and crude oil													
Administrative activities	Air conditioning in operations													
GRI 307-1 Non-compliance with environmental laws and regulations	<p>The Company's Administration included in its IS19 the result of the GRI indicator 307-1 corresponding to the "Non-compliance with environmental laws and regulations" for companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter "reporting companies for the period from January 1 to December 31 2019 (hereinafter "year under review"), based on the provisions of the Disclosure GRI 307: Environmental Compliance (2016) (page 6) , as presented below:</p> <p>a. Significant fines and significant non-monetary sanctions for non-compliance with environmental laws or regulations: corresponds to the non-monetary fines and sanctions of the</p>	<p>✓</p> <p>✓</p>												

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>i. The number and rate of fatalities as a result of work-related injury.</p> <p>Number: Corresponds to the sum of fatalities of employees as a result of work-related injury in the year under review. For this calculation, the monthly registration of the death figures of employees was made in the document "Matriz de Accidentalidad 2019.xlsx", which is operated by the Manager of Health and Safety, and the Industrial Safety and Occupational Health Professional.</p> <p>Rate: Corresponds to the application of the following formula:</p> $= \frac{\text{Number of fatalities resulting from a work related injury of employees}}{\text{Number of hours worked by employees}} \cdot 1,000,000$ <p>The application of this formula depends on the occurrence of cases of fatalities during the year under review. If there are no cases, the rate corresponds to zero (0).</p> <p>The calculation of the Occupational health and safety indicators is carried out by the reporting companies in Excel file "Matriz de Accidentalidad 2019.xlsx", which is managed by the Occupational Health and Safety Management.</p> <p>The source of the number of hours worked of employees is described later in numeral V.</p> <p>ii. The number and rate of high-consequence work-related injuries (excluding fatalities).</p> <p>Number: Corresponds to the total number of cases, in the year under review, in which employee injuries lead to such damage that the worker cannot recover or does not fully recover the state of health condition prior to the accident, or that the worker is not expected to fully recover the health condition prior to the accident, within 6 months.</p> <p>For the calculation of high-consequence work-related injuries, the reporting companies considered the accidents classified as Lost Time Incident (LTI) which comply with the degree of injury severity and lost time of the definition mentioned above. The calculation of this indicator (the sum of the cases) is carried out by the reporting companies in the Excel "Matriz de Accidentalidad 2019.xlsx".</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

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GRI 102-52

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	The LTI cases that do not meet the characteristics of the GRI standard will be added to recordable accidents.	✓
	The individual records for each case of work-related injury are found in the excel file "Matriz de Accidentalidad 2019.xlsx", which is managed by the Occupational Health and Safety Management.	✓
	Rate: Corresponds to the application of the following formula: $= \frac{\text{Number of high consequence work related injuries (excluding fatalities) of employees}}{\text{Number of hours worked by employees}} * 1,000,000$	✓
	The application of this formula depends on the occurrence of cases during the year under review. If there are no cases, the rate corresponds to zero (0).	✓
	The calculation of the Occupational health and safety indicators is carried out by the reporting companies in the Excel file "Matriz de Accidentalidad 2019.xlsx", which is managed by the Occupational Health and Safety Management.	✓
	The source of the number of hours worked of employees is described later in numeral V.	✓
	iii. The number and rate of recordable work-related injuries. Number:	✓
	Corresponds to the sum of cases of employee injuries with some of the following results: death, days off work, work restriction or transfer to other positions, fainting or medical treatment beyond first aid; or serious injury diagnosed by a doctor or other healthcare professional, even if it does not result in death, days off work, work restrictions or transfers to other positions, fainting or medical treatment beyond first aid, occurred to employees, during the year under review.	✓
	The registration of these cases has consolidated in Excel file "Matriz de Accidentalidad 2019.xlsx", which is managed by Occupational Health and Safety Management.	✓
	Rate: Corresponds to the application of the following formula:	✓

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GRI 102-52

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	Corresponds to the sum of fatalities of contractors as a result of a work-related injury in the year under review (January 1, 2019 to December 31, 2019). In 2019, the fatalities of contractors were recorded, within the operation, in the monthly monitoring Excel file "Matriz de Accidentalidad 2019.xlsx" with code COL-HSEQ-FT-223, which is operated by the Occupational Health and Safety Manager; and the Industrial Safety and Occupational Health Professional.	✓
	Rate: Corresponds to the application of the following formula: $= \frac{\text{Number of fatalities resulting from a work related injury of contractors}}{\text{Number of hours worked by contractors}} * 1,000,000$	✓
	The application of this formula depends on the occurrence of cases of fatalities during the year under review. If there are no cases, the rate corresponds to zero (0).	✓
	The calculation of the Occupational health and safety indicators is carried out by the reporting companies in the Excel file "Matriz de Accidentalidad 2019.xlsx", which is managed by the Occupational Health and Safety Management.	✓
	The source of the number of hours worked of contractors is described later in numeral V of literal b.	✓
	ii. The number and rate of high-consequences work-related injuries (excluding fatalities). Number:	✓
	Corresponds to the total number of cases, in the year under review, in which contractor injuries lead to such damage that the worker cannot recover or does not fully recover the state of health condition prior to the accident, or that the worker is not expected to fully recover the health condition prior to the accident, within 6 months.	✓
	For the calculation of high-consequences work-related injuries, the reporting companies considered the accidents classified as a Lost Time Incident (LTI) which comply with the degree of injury severity and lost time of the definition mentioned above. The calculation of this indicator (the sum of the cases) is carried out by the reporting companies in the Excel "Matriz de Accidentalidad 2019.xlsx". The LTI cases that do not meet the characteristics of the GRI standard will be added to recordable accidents.	✓

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	$= \frac{\text{Number of recordable work related injuries of employees}}{\text{Number of hours worked by employees}} * 1,000,000$	✓
	The application of this formula depends on the occurrence of cases during the year under review. If there are no cases, the rate corresponds to zero (0).	✓
	The calculation of the Occupational health and safety indicators is carried out by the reporting companies in the Excel file "Matriz de Accidentalidad 2019.xlsx", which is managed by Occupational Health and Safety Management.	✓
	The source of the number of hours worked of employees is described later in numeral V.	✓
	iv. The main types of work-related injuries.	✓
	The main types of work-related injuries are registered in the Excel "Matriz de Accidentalidad 2019.xlsx" with code COL-HSEQ-FT-223 from the document "Procedimiento de reporte y registro de datos estadísticos HS.pdf", in which the reporting companies classifies the types of injuries that can be suffered by both an employee and a contractor, among which are fatal, disabling incidents, restricted work, which requires medical treatment and first aid.	✓
	v. The number of hours worked.	✓
	Corresponds to the record of total hours worked by employees, during the year under review. This information is consolidated in the Excel file "Matriz de Accidentalidad 2019.xlsx", which is managed by the Occupational Health and Safety Management.	✓
	Monthly, the Human Resources area sends the total number of direct employees for the respective month, which is multiplied by the number of working days per month and the daily hours of work, via email to the Occupational Health and Safety area of the reporting companies.	✓
	b. For all workers who are not employees but whose work or workplace are controlled by the organization	✓
	It is understood as the contractors of the reporting companies	✓
	i. The number and rate of fatalities as a result of work-related injury Number:	✓

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	The individual records for each case of work-related injury are found in the excel file "Matriz de Accidentalidad 2019.xlsx", which is managed by the Occupational Health and Safety Management.	✓
	Rate: Corresponds to the application of the following formula: $= \frac{\text{Number of high consequence work related injuries (excluding fatalities) of contractors}}{\text{Number of hours worked by contractors}} * 1,000,000$	✓
	The application of this formula depends on the occurrence of cases during the year under review. If there are no cases, the rate corresponds to zero (0).	✓
	The calculation of Occupational health and safety indicators is carried out by the reporting companies in the Excel file "Matriz de Accidentalidad 2019.xlsx" which is managed by the Occupational Health and Safety Management.	✓
	The source of the number of hours worked of contractors is described later in numeral V of literal b.	✓
	iii. The number and rate of recordable workplace injury. Number:	✓
	Corresponds to the sum of contractor injury cases with some of the following results: death, days off work, work restriction or transfer to other positions, fainting or medical treatment beyond first aid; or serious injury diagnosed by a doctor or other healthcare professional, even if it does not result in death, days off work, work restrictions or transfers to other positions, fainting or medical treatment beyond first aid, occurred to employees, during the year under review.	✓
	The registration of these cases is consolidated in Excel file "Matrix 2019.xlsxm accident" which is managed by the Occupational Health and Safety Management.	✓
	Rate: Corresponds to the application of the following formula:	✓

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	$= \frac{\text{Number of recordable work related injuries of contractors}}{\text{Number of hours worked by contractors}} * 1,000,000$ <p>The application of this formula depends on the occurrence of cases during the year under review. If there are no cases, the rate corresponds to zero (0).</p> <p>The calculation of Occupational health and safety indicators is carried out by the reporting companies in the Excel file "Matriz de Accidentalidad 2019.xlsx" which is managed by the Occupational Health and Safety Management.</p> <p>The source of the number of hours worked of contractors is described later in numeral V of literal b.</p> <p>iv. The most frequent types of work-related injury.</p> <p>The main types of work-related injuries are registered in the Excel "Matriz de Accidentalidad 2019.xlsx" with code COL-HSEQ-FT-223 from the document "Procedimiento de reporte y registro de datos estadísticos HS.pdf", in which the reporting companies classifies the types of injuries that can be suffered by both an employee and a contractor; among which are fatal incidents, incapacitating, requiring medical treatment and first aid.</p> <p>v. The number of hours worked</p> <p>Corresponds to the record of the total number of hours worked by contractors during the year under review. This information is consolidated in the Excel file "Matriz de Accidentalidad 2019.xlsx", which is managed by the Occupational Health and Safety Management.</p> <p>The report of hours worked includes the kilometers traveled, and it is done by the contractors the first five days of the month after the period in which they developed the activities in operations of the reporting companies. This report is made in a web tool designed by Parex. Subsequently, in the same tool, the respective Parex's contract administrator approves the reports.</p> <p>In the year under review, the reporting companies made a platform change maintaining the same reporting principle as the previous one, with hours worked and kilometers traveled, with a variation: the approved reports are exported to an Excel file and those are supplemented with data on hours worked by contractors and kilometers crude transport routes (this information comes from the Ciclop tool of marketing and transport control) and personnel transport (this information is validated</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>with the billing of these services). The product of this consolidation is carried in the Excel "Matriz de Accidentalidad 2019.xlsx" with code COL-HSEQ-FT-223.</p> <p>c. The work-related hazards that pose a risk of high-consequence injury, including:</p> <ol style="list-style-type: none"> How these hazards have been determined. Which of these hazards have caused or contributed to high-consequence injuries during the year under review. Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. <p>The reporting companies have the document "Instructivo matriz de identificación de peligros, evaluación de riesgos y determinación de controles", recorded in the file "COL-HSEQ-IN-008 Instructivo matriz de identificación de peligros, evaluación de riesgos y determinación de controle.pdf", indicating how such hazards are determined, which of these hazards have caused or contributed to causing high-consequences work-related injuries during the year under review and the measures taken or planned to eliminate said hazards and minimize risks through the hierarchy of control.</p> <p>d. Actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.</p> <p>Through the control hierarchy, the reporting companies determined controls that must be carried out for each of the risks identified and associated with the dangers identified, a procedure detailed in "COL-HSEQ-IN-008 Instructivo matriz de identificación de peligros, evaluación de riesgos y determinación de controle.pdf".</p> <p>e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.</p> <p>The reporting companies performed the calculations based on 1,000,000 hours worked, as evidenced in the Excel file "Matriz de Accidentalidad 2019.xlsx", which is managed by the Occupational Health and Safety Management.</p> <p>f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.</p> <p>The total number of employees and contractors involved in the operation is included.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p> <p>The contextual information is taken from the source described in the contents of the previous literals, where the necessary procedures for the collection and calculation of the information are explained.</p> <p>The scope of the assurance was limited to the crossing of the information reported in the IS19 in relation to the sources mentioned in the criteria supplied by the Occupational Health and Safety Management, the validation on the basis of samples of the existence of the cases registered in the source documents and the recalculation of the formulas established in the criteria based on the information included in said sources; And it did not include the evaluation of the reasonableness of the sources mentioned in the criteria nor the evaluation of the integrity of the documentation supports in the year under review.</p>	<p>✓</p> <p>✓</p> <p>✓</p>
GRI 412-2 Employee training on human rights policies or procedures	<p>The Company's Administration included in its IS19 the result of the GRI indicator 412-2 "Employee training on human rights policies and procedures" for companies Parex Resources Inc, Parex Resources Colombia Ltd, Sucursal and Verano Energy Limited Sucursal (hereinafter "reporting companies") for the period from January 1 to December 31 2019 (hereinafter "year under review"), taking as a basis what is established on page 8 of Disclosure GRI 412: Human Rights Assessment, from Global Reporting Initiative (GRI) Standard (2016), and in line with the procedures established by the Company's Administration, as presented below:</p> <p>a. Total number of hours in the year under review devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations</p> <p>Corresponds to the total number of hours of training on Human Rights issues in the reporting companies registered during the year under review. The companies' training process takes place through a teaching platform called <i>Policy Tech</i>, in which each employee (user) is invited to carry out the training process (readings and content review) and then must answer an evaluation.</p> <p>This platform does not keep a record of the time that the user takes to carry out the entire training process, it only records the time when the user sends the responses to the evaluation. For this reason, the omission</p>	<p>✓</p> <p>✓</p>

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>because the information is unavailable was verified, through an email sent by the administrator of the platform and recorded in the file "Correo funcionamiento Policy Tech.pdf".</p> <p>b. Percentage of employees trained during the year under review in human rights policies or procedures concerning aspects of human rights that are relevant to operations</p> <p>Corresponds to the percentage of direct employees trained in Human Rights. The calculation of the percentage was done with the total number of direct employees formed, which is presented in the document "Excel Evaluación en DDHH.xlsx" that is extracted from the platform <i>Policy Tech</i> and is crossed with the payroll documents at the end of 2019 "Empleados Colombia 2019.xlsx" and "Empleados Canadá 2019.xlsx", which is administered by the Human Resources area in Bogotá and by the Human Resources area in Calgary, respectively, considering the following formula:</p> $= \frac{\text{Total employees trained}}{\text{Total employees}} * 100$ <p>The payroll information used to define the denominator of the formula corresponds to the sum of the total direct employees of Bogotá and Calgary at the end of 2019, excluding directors and temporary employees.</p> <p>The information provided by the <i>Policy Tech</i> platform corresponds to the employees who complete the training cycle in Human Rights, which is given when each employee (user) is invited to carry out the training process (reading and reviewing content) and then must answer an evaluation that must be approved.</p> <p>The scope of the assurance was limited to the crossing of the information reported in the IS19 in relation to the sources mentioned in the criteria, provided by the Political Affairs Coordinator of the reporting companies, to the validation of the sample bases and to the recalculation of the formulas established in the criteria based on the information included in said sources and did not include the evaluation of the reasonableness of the sources mentioned in the criteria or the evaluation of the integrity of the documentation supports in the year under review.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

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GRI 102-52

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
Own indicator Local purchases	<p>The Company's Administration included in its IS19 the result of the Own indicator corresponding to "Local purchases" for companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter "reporting companies"), for the period from January 1 to December 31 2019 (hereinafter "year under review"), based on the procedures established by the Company, provided by the Procurement and Logistics Management and the Finance Management, as presented below:</p> <p>Local purchases: corresponds to the total amount of goods and services committed (before taxes) in Colombian pesos (COP) to companies incorporated in the departments of Arauca, Boyacá, Casanare, Cesar, Magdalena, Meta and Santander, where the administration of the Company had operations during the year under review.</p> <p>This information is extracted from the report of "20200625 Indicadores de compra 2019.xlsx", which is elaborated considering:</p> <ul style="list-style-type: none"> The classification of local suppliers, based on the "Formato COL-GF-T-003 Registro de Proveedor cliente Nacional", administered by the Finance Management. The file "Copia de Final Envío v3.xlsx", which considers the input sheets related to the orders of the contracts registered in the MM and FI module. The following categories of contracts: <ul style="list-style-type: none"> Crude Transport Facilities Civil Works Dry Cargo Transportation Management and Disposal of Water / Waste Environmental, Health and Quality Passenger Transportation Others Maintenance Engineering and Workover. <p>The scope of assurance was limited to the crossing of the information reported in the IS19 in relation to the sources mentioned in the criteria, provided by the Procurement and Logistics Management and the Financial Management, for validation on a sample basis, according to the existence of the "Formato COL-</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>GF-T-003 Registro de Proveedor cliente Nacional" and contracts; it did not include the evaluation of the reasonableness of the sources mentioned in the criteria or the evaluation of the integrity of the documentation supports in the year under review.</p>	<p>✓</p>
Own indicator Social investment	<p>The Company's Administration included in its IS19 the result of the Own indicator corresponding to "Social Investment" for companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter "reporting companies") for the period from January 1 to December 31 2019 (hereinafter "year under review"), taking as a source the local audited figures and, as a reference, the parameterized information from SAP system, included in the documents "Capex Cuentas RSE Ene-Dic 2019.xlsx" and "Opex Cuentas RSE Ene-Dic 2019.xlsx", provided by the Department of Corporate Social Responsibility, as presented below:</p> <p>Social investment (2019): corresponds to the sum of the balances presented in thousands of Colombian pesos (COP) and thousands of United States dollars (USD) in the following accounts, obtained from the Module: MM, Transaction: CJ13 and KOB1 from SAP:</p> <ul style="list-style-type: none"> OPEX: corresponds to accounts 761917926, 761917927, 761917928, 761917929, 761917930 related to social investment expenses. CAPEX: corresponds to accounts 715810065, 715810105, 715810210, 715810220, 715810385 related to social investment expenses. <p>The scope of the assurance is limited to the crossing of the figures taken for the calculation of the indicator "Social investment 2019" with the figures audited by the statutory auditor for the year under review and to the corroboration of the information parameterized in SAP, included in the document related to the criteria; and it did not include the evaluation of the reasonableness and integrity of the audited figures provided.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
Own indicator Local workforce	<p>The Company's Administration included in its IS19 the result of the Own indicator corresponding to "Local workforce" for companies Parex Resources Colombia Ltd. Sucursal and Verano Energy Limited Sucursal (hereinafter "reporting companies") for the period from January 1 to December 31 2019 (hereinafter "year under review"), in accordance with the procedures established by the Company's Administration, as presented below:</p>	<p>✓</p>

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GRI 102-52

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A										
	<p>Number of active and existing local employment opportunities during the year under review including skilled and unskilled labour correspond to:</p> <p>The number of employment opportunities is referred to the sum of locally occupied vacancies, which are existing as of January 1, 2019, as well as the opportunities generated and active in the year under review. Regarding the term "locally", the reporting companies refer to personnel who have work or labor contracts whose domicile is in the sidewalks or municipalities located in the departments of Arauca, Boyacá, Casanare, Cesar, Magdalena, Meta and Santander, regions where the reporting companies had operation during the year under review. The "Boyacá" region, despite being part of the operation blocks, is in the dismantling phase, so it did not have operations, as evidenced in the document "Excel 10. BASE DE DATOS PAREX 2019 FINAL.xlsx", administered by the Department of Corporate Social Responsibility.</p> <p>The scope of the assurance was limited to the crossing of the information reported in the IS19 in relation to the sources mentioned in the criteria, provided by the Department of Corporate Social Responsibility, to the validation, on a sample basis, of the existence of the contracts carried out during the year under review and the recalculation of the formulas established in the criteria based on the information included in said sources; and it did not include the evaluation of the reasonableness of the sources mentioned in the criteria or the evaluation of the integrity of the supports of documentation in the year under review.</p>	<p>✓</p> <p>✓</p> <p>✓</p>										
Presentation of the IS19 in line with the "Core" option of the GRI Standards (2016) of the Global Reporting Initiative	<p>The Company's Administration reported in its IS19 the following basic mandatory contents, applicable for the "Core" option as per that defined in the GRI Standards (2016) of the Global Reporting Initiative (https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-spanish-translations-download-center/): GRI 101, item 3.1 pg. 23 Table 1 – Criteria to state that a report has been prepared in line with the GRI Standards or relevant justification of omission as defined in item 3.2 – Reasons for omission, pg. 24.</p> <table border="1"> <thead> <tr> <th>General basic contents applicable to the Core level</th> <th>No. of the basic general content</th> </tr> </thead> <tbody> <tr> <td>Organizational profile</td> <td>GRI 102-1 to 102-13</td> </tr> <tr> <td>Strategy</td> <td>GRI 102-14</td> </tr> <tr> <td>Ethics and integrity</td> <td>GRI 102-16</td> </tr> <tr> <td>Governance</td> <td>GRI 102-18</td> </tr> </tbody> </table>	General basic contents applicable to the Core level	No. of the basic general content	Organizational profile	GRI 102-1 to 102-13	Strategy	GRI 102-14	Ethics and integrity	GRI 102-16	Governance	GRI 102-18	<p>✓</p> <p>✓</p>
General basic contents applicable to the Core level	No. of the basic general content											
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Governance	GRI 102-18											

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Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A																						
	<table border="1"> <tr> <td>Stakeholders engagement</td> <td>GRI 102-40 to 102-44</td> </tr> <tr> <td>Reporting practice</td> <td>GRI 102-45 to 102-56</td> </tr> </table>	Stakeholders engagement	GRI 102-40 to 102-44	Reporting practice	GRI 102-45 to 102-56																			
Stakeholders engagement	GRI 102-40 to 102-44																							
Reporting practice	GRI 102-45 to 102-56																							
	<p>1. The Company's Administration reported in its IS19 the information corresponding to the general mandatory management approaches, as per that defined in the GRI Standards (2016) of the Global Reporting Initiative (https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-spanish-translations-download-center/): GRI 101, item 3.1 pg. 23 Table 1 – Criteria to state that a report has been prepared in line with the GRI Standards or relevant justification of omission as defined in item 3.2 – Reasons for omission, pg. 24, for the following material respects:</p> <table border="1"> <thead> <tr> <th>Material aspect</th> <th>Information on the general management approach to report for each material aspect</th> </tr> </thead> <tbody> <tr> <td>Economic performance</td> <td>a. An explanation of why the topic is material.</td> </tr> <tr> <td>Local purchase</td> <td>b. The Boundary for the material topic.</td> </tr> <tr> <td>Ethics and transparency</td> <td>c. Any specific limitation regarding the topic boundary.</td> </tr> <tr> <td>Water management</td> <td>d. An explanation of how the organization manages the topic.</td> </tr> <tr> <td>Greenhouse gas emissions</td> <td>e. A statement of the purpose of the management approach.</td> </tr> <tr> <td>Legal compliance</td> <td>f. A description of the following, if the management approach includes that component: policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and specific actions such as processes, projects, programs and initiatives.</td> </tr> <tr> <td>Health and safety</td> <td>g. An explanation of how the organization evaluates the management approach.</td> </tr> <tr> <td>Local employment</td> <td></td> </tr> <tr> <td>Community investment</td> <td></td> </tr> <tr> <td>Human Rights</td> <td></td> </tr> </tbody> </table>	Material aspect	Information on the general management approach to report for each material aspect	Economic performance	a. An explanation of why the topic is material.	Local purchase	b. The Boundary for the material topic.	Ethics and transparency	c. Any specific limitation regarding the topic boundary.	Water management	d. An explanation of how the organization manages the topic.	Greenhouse gas emissions	e. A statement of the purpose of the management approach.	Legal compliance	f. A description of the following, if the management approach includes that component: policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and specific actions such as processes, projects, programs and initiatives.	Health and safety	g. An explanation of how the organization evaluates the management approach.	Local employment		Community investment		Human Rights		<p>✓</p> <p>✓</p>
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	<p>2. The Company's Administration reported in its IS19, for each of the material respects presented in point 1 of this criteria, at least one (1) associated performance indicator or the corresponding justification of omission, as per the alternatives indicated in GRI 101, item 3.2 – Reasons for omission, pg. 24 of the</p>	<p>✓</p>																						

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■ GRI 102-52

Indicators for limited assurance objects	Criteria	Nothing came to our attention (✓) – N/A
	<p>GRI Standards (2016). Such indicators may be defined as per the Topic-specific Standards in the GRI Standards 2016 (series 200, 300 and 400).</p> <p>The scope of the assurance was limited to the crossing of information defined in the criteria with the information reported in the IS19, and it did not include an assessment of the reasonability and integrity of the reported information.</p>	✓

CREDITS

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

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



Translator's Note:

This document was written in Spanish and subsequently translated into English. If any discrepancies are found between the original Spanish version and the translated English version, the content and meaning of the original Spanish document shall prevail.