



Sustainability Report

2020





Sustainability Report Tecpetrol Investment S.L.U.¹ 2020

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¹ Henceforth Tecpetrol



Letter from the President and CEO

At Tecpetrol, we have been promoting the sustainable development of our activity for over thirty years, pursuing a philosophy of long-term commitment paired with a well-founded sense of belonging to our neighboring communities. The arrival of COVID-19 undeniably presented all of us with significant challenges, ushering in a new way of working and relating to each other, new forms that we adopted and assimilated with speed and efficiency.

We are presenting our second Sustainability Report against this backdrop, to share the economic, social and environmental results achieved by Tecpetrol, and to underscore our focus on caring for the health and well-being of both our employees and the communities where we operate.

Today, more than ever, our desire is to be as close as possible to our stakeholders, with an emphasis on our vocation to develop a continuous improvement process enabling us to benchmark and optimize our performance on an ongoing basis.

We achieved several milestones during 2020:

- We set up the Energy Transition Unit at Tecpetrol to develop business projects and exploit the synergy between the industrial companies of the Techint Group, working together to achieve a more sustainable future and reduce our environmental footprint.
- We completed the Central Processing Plant at the Fortin de Piedra operation, integrating a complex working system based on cells to safeguard people's health.

- We have bolstered the work being carried out by Human Resources to help employees meet the challenges brought by the pandemic in many ways: we implemented a webinar cycle designed to provide emotional support, deployed our +Diversity program, continued to focus on increasing safety at our operations, migrated our training offer online, and centered our pandemic response on supporting employees and strengthening their remote working capabilities.
- We are driving leadership in safety and process optimization, and have made significant improvements to the Supply Chain to enhance operational efficiency.
- We launched a USD 16.2 million fund with resources contributed by the Techint Group companies and the Fundación Hermanos Agustín y Enrique Rocca, to shore up the healthcare infrastructure in the communities where we operate in Argentina, Mexico, Brazil, Peru, Ecuador, and Chile, among others. We delivered 12 ventilators, 310 pieces of hospital equipment and 235,545 biosafety items to 24 hospitals throughout Latin America.
- We invested USD 2,058,734 in our Community Relations program, reaching 52,000 people throughout Latin America.
- We launched our new website, tecpetrol.com, to offer users a better all-around experience and make it easier to access information about our activities on an ongoing basis.

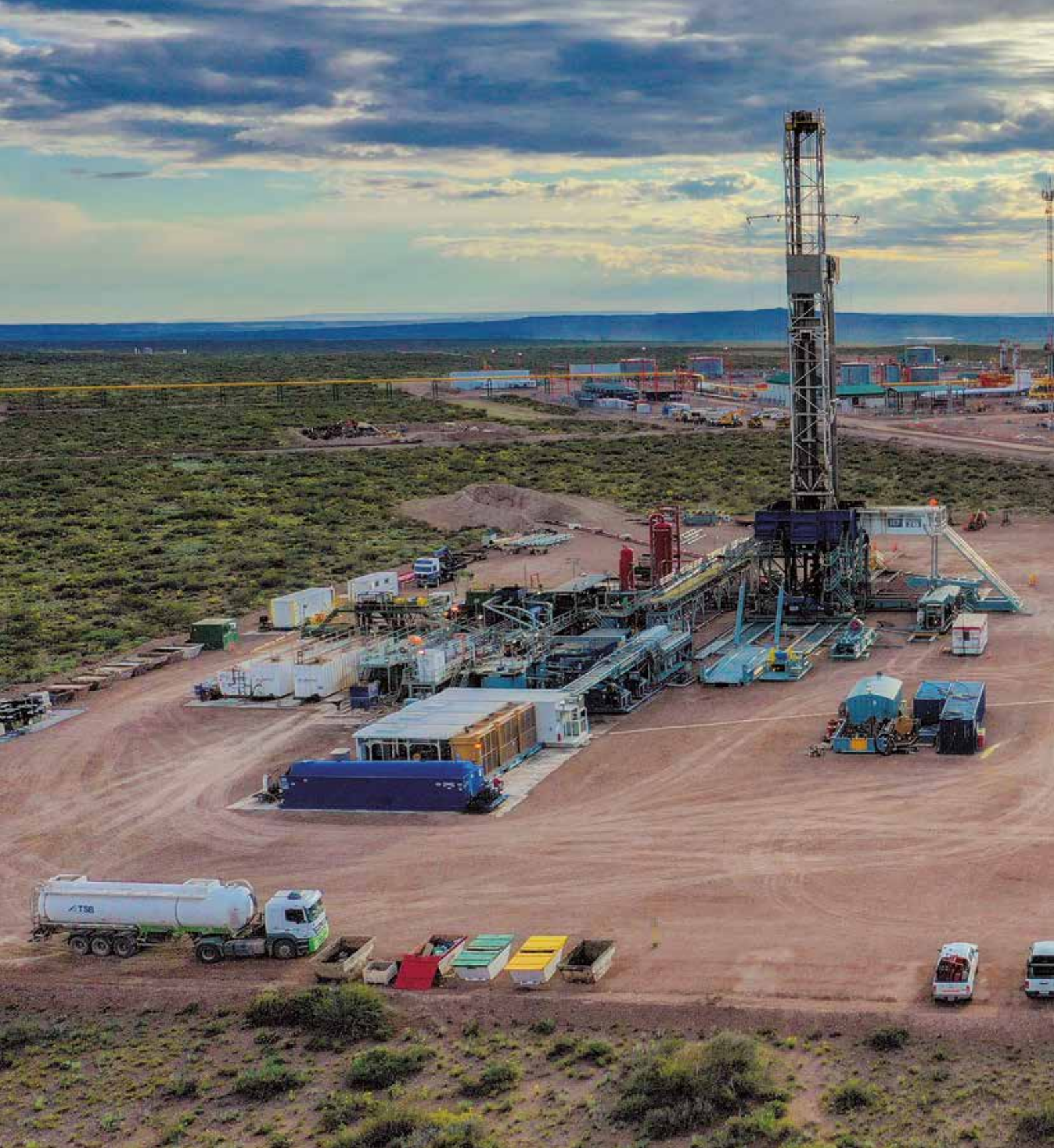


I would like to acknowledge and thank our employees for their dedication and enthusiasm: they are the ones putting in the energy we need to tackle the challenges we set ourselves and achieve our goals. I believe that this report represents yet another step forward towards further openness and transparency in our communication, as part of our move toward increasingly sustainable management.

Before I say my goodbyes, I would like to take the opportunity to announce the appointment of Ricardo Markous who takes over to be the new President and CEO of Tecpetrol as of April 1, 2021. I wish him every success in his new role. For my part, I shall continue to participate in the company as Chairman.

Cordially,

Carlos Ormachea,
Chairman of the Board
of Directors of Tecpetrol





About us

01

What we do at Tecpetrol

Our mission

We tackle challenges with tenacity and professionalism, backed by solid technical skills and project execution capabilities. We are committed to innovation, efficiency in management and excellence in human resources, and our core values embody care for the environment and the safety of both our employees and contractors.

Tecpetrol is an energy company working to drive development throughout Latin America, pursuing a philosophy of long-term commitment to its neighboring communities. As one of the six main companies of the Techint Group, we are dedicated to the exploration, production, transportation, distribution and generation of energy, used for transport and the supply of industries and consumption centers.

Each of our activities is underpinned by processes of continuous improvement, allowing us to optimize the recovery of reserves from mature fields and achieve greater efficiency in gas transportation operations and in the development of unconventional projects, such as Vaca Muerta in Argentina.

Through our fully-owned companies, we carry out operations in Argentina, Colombia, Ecuador and Mexico, and participate in activities as a non-operating partner in Peru, Bolivia and Venezuela, and in some cases, also in Argentina and Ecuador. Our roster of customers includes refineries, traders, industries, local gas distributors, electricity generation companies and CNG stations (compressed natural gas for vehicles).

Taking into consideration that at the close of 2019, the Company was still based in Uruguay, this global report was issued by its Spanish subsidiary Tecpetrol Internacional S.L.U. As from 2020, the report is produced by Tecpetrol Investment S.L.U, the controlling company of Tecpetrol Internacional S.L.U. Together they manage the portfolio of Oil & Gas businesses and the energy transition projects currently under development.

Our values

1. Creating value for our shareholders
2. Local roots and a global vision
3. Technical culture, industrial vocation and a long-term vision
4. Commitment to research and development
5. Professionalism, commitment and tenacity
6. Excellence and development of human resources
7. Transparency in our management
8. Care for occupational safety and working conditions
9. Care for the environment.
10. Commitment to our neighboring communities

Our history

1981

The company was launched as the energy arm of the Techint Group.

1990 | 2000

We began exploration and development operations in Argentina, Venezuela, Bolivia, Peru and Ecuador. The oil and gas transportation and distribution business presented itself as an opportunity in Argentina.

2000 | 2010

The company began exploration activities in the Burgos basin, Mexico.

We incorporated the provision of maintenance services to Pemex's gas transportation systems in Mexico.

We signed contracts to start operations in Colombia.

2010 | 2020

We added new areas in Ecuador: Liberator and Shushufindi.

We built and put into operation the Pesqueria Power Plant in Mexico.

We began the massive development of the Vaca Muerta shale play in the Fortin de Piedra area, located in the Neuquen basin in Argentina.



The energy transition: a new direction

In October 2020, we launched a new business development unit with the main objective of adding value to the energy transition industries. Taking advantage of our current capabilities and operations, the sector proposes four areas of development: lithium, hydrogen, carbon capture and storage, and electrification (renewables, nuclear, and energy).

Headed up by Andrea Rocca, the area has a strategic planning director and a leader assigned to each project. In the last quarter of 2020, we embarked on the evaluation and knowledge generation stage, strengthening our network of contacts and holding a workshop for representatives from the different Techint Group companies to identify business and organizational priorities and opportunities. We are currently evaluating lithium processing projects for batteries.



Our business

1. Exploration and production

We carry out oil and gas exploration and production activities, which include primary and secondary recovery plants and facilities for gas conditioning and processing, as well as power generation.



750

wells in
production



170,000

barrels of oil
equivalent per day

Vaca Muerta produced in 2020



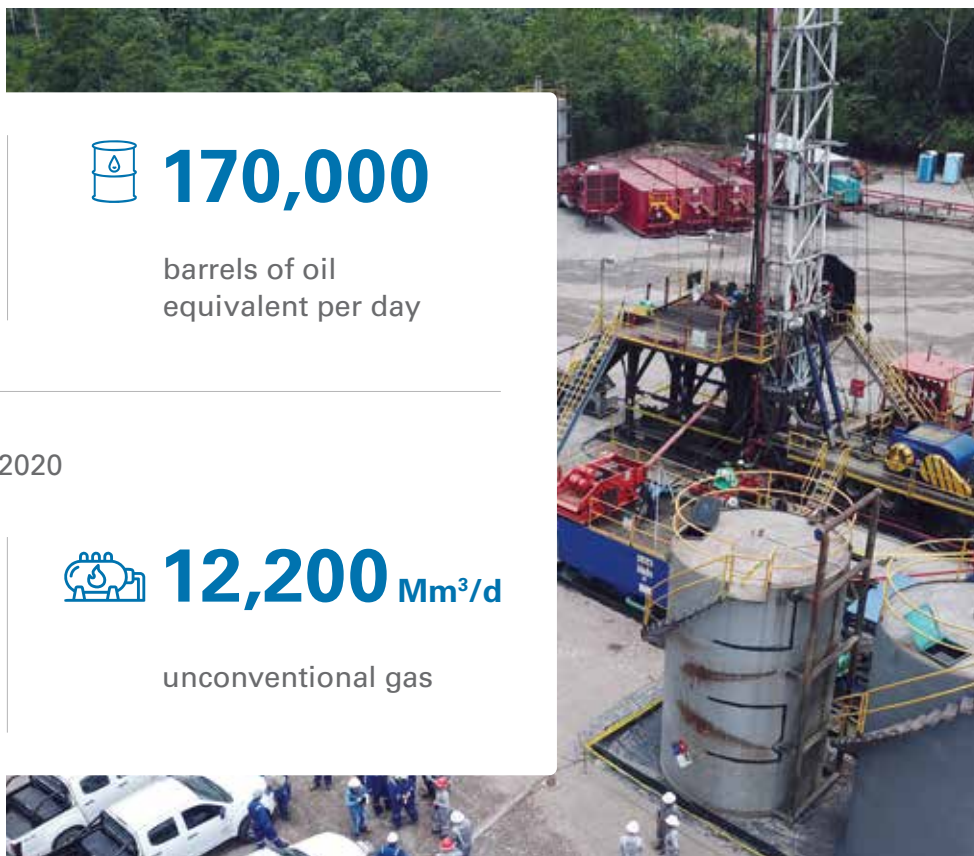
607 m³/d

unconventional oil



12,200 Mm³/d

unconventional gas



Production by type of operation

Production	Type	Unit	2019	2020	% difference
Oil	Conventional	m ³	1,879,020	1,777,185	-5%
	Unconventional	m ³	269,370	221,555	-18%
Natural gas	Conventional	Mm ³	2,300,595	2,257,160	-2%
	Unconventional	Mm ³	5,458,940	4,416,500	-19%

Notes:

- Own production is included (adding operated and not operated areas), to Tecpetrol's percentage share.
- Unconventional production refers to the Fortin de Piedra, Punta Senillosa and Los Toldos fields.
- The fall in output compared with 2019 reflects the natural decline in production of these areas compounded by the impact of the pandemic.

Our operations



Note: the exploration surface areas have not been modified in comparison with those reported in 2019, with the exception of the CPO-7 Block in Colombia, which went from 16 km² to 14 km².

2. Transport and distribution

From the surface of the well to its final destination for consumption, hydrocarbons pass through a series of processes and networks making up the transport and distribution system. In the first stage, raw material is transferred from the fields to the treatment plants, and in the case of crude oil, to the refineries, where it is processed to obtain petroleum products.

The second stage is distribution, where by-products are transported to consumption centers. Supply to individual consumers is handled by the distribution companies through their own pipeline systems.

In Argentina, we operate the following companies, complemented by our capabilities for developing gas infrastructure projects:

Transportadora de Gas del Norte (TGN)

Together with CGC, we form part of the group controlling TGN whose natural gas transportation system is made up of two trunk gas pipelines, the Norte (northern) and the Centro-Oeste (central-western) ones. Together they make up a network comprised of eight of the nine gas distributors, and of the numerous electricity generation facilities and industries located in fourteen Argentine provinces and the City of Buenos Aires, covering a distance of over 6,800 kilometers with delivery capabilities of 59.7 MMm³/d. The system connects with the Gas Andes and Nor Andino Argentina S.A. gas pipelines, which ferry gas to central and northern Chile.





The system also connects with the Entrerriano gas pipeline, servicing the province of Entre Ríos and the Uruguayan coast, as well as the Transportadora de Gas del Mercosur S.A. and Gasoducto del Noreste Argentino (GNEA) pipelines.

TGN also provides operation and maintenance (O&M) services to the following third-party-owned transport pipelines: Gas Pacífico; Compañía Entrerriana de Gas S.A.; Nor Andino Argentina S.A.; Transportadora de Gas del Mercosur; Petrouuguay; the ENARSA-YPF-Proyecto GNL Escobar joint venture; Fortin de Piedra-Tratayén, belonging to Tecpetrol S.A.; and GNEA de Integración Energética Argentina S.A. (IEASA). In 2020, TGN was awarded a contract tendered by IEASA to provide O&M services to the Juana Azurduy Integration Pipeline (GIJA) on Argentine territory, for a period of five years. This natural gas pipeline runs from the Argentine-Bolivian border over a distance of 37 km to the Refinor refinery in Campo Grande in the province of Salta, where it connects to the Norte gas pipeline system and the GNEA pipe header.



Since operations began in 1992, TGN has expanded its transportation capacity through own and third-party contributions, growing from a header of 22.6 MMm³/d to the current 59.7 MMm³/d referred to above, an increase of 164%. These expansions, as well as the numerous maintenance and reliability works carried out on the network, required investments of USD 1.469 million, involving laying 2,619 km of new gas pipelines, building eight new compressor plants and installing twenty-one turbocharger units, to add 216,250 HP of installed power.

Transportadora de Gas del Mercosur (TGM)

In association with Total Gas y Electricidad Argentina, CGC and Central Puerto, we operate TGM, a gas export pipeline linking Aldea Brasilera in the Argentine province of Entre Rios with Paso de los Libres in the province of Corrientes. There, it joins up with the Transportadora Sulbrasileira de Gas pipeline before reaching the city of Uruguayana in southern Brazil where gas is piped to fuel a 600 MW-combined cycle power plant. Measuring 421 km in length, the TGM pipeline has a total transport capacity of 2.8 MMm³/d.

Litoral Gas

Litoral Gas works with its partner Engie through the subsidiary International Power S.A. which is exclusively dedicated to natural gas distribution in an area encompassing the province of Santa Fe and some districts in the province of Buenos Aires. These are San Nicolas, Ramallo, Pergamino, Colon, Arrecifes, San Pedro and Baradero. Litoral Gas has seventeen commercial offices in this area, servicing some 743,059 customers, including households, businesses and industrial users as well as power plants, compressed natural gas dealers and sub distributors. Litoral Gas supplies its customers through the company's pipelines running along a stretch of 2,188 km, with distribution networks measuring a total of 11,251 km in length. The geographical area served by the Company covers 136,387 square kilometers and its population is about 3.9 million inhabitants.

In 2020, 446 kilometers of pipes were added to the network, taking the Litoral Gas distribution system to a total of 13,439 kilometers by December 31, an increase of 168% since the beginning of its activity. The number of localities served by the Litoral Gas natural gas distribution networks has also risen, going from forty-five at the time that the company was privatized to 120 today.



3. Electricity generation

The Pesqueria power plant (Central Eléctrica Pesquería - CEP) is located in the city of Pesqueria, in the state of Nuevo Leon, in northeastern Mexico. Since 2016, it has been supplying efficient and reliable energy to the Tenaris and Ternium industrial plants in Mexico.



900 MW

net generation
capacity



80

full-time
staff



22

contractor
companies



139

people
employed
per month



The LEED-certified CEP is environmentally friendly, and its water treatment plant features a zero effluent discharge system based on filtering and recycling greywater instead of sourcing groundwater.

This means that it consumes 30% less water as well as 35% less fuel than a conventional power plant. The plant also has a permanent environmental monitoring program in place.



Highlights 2020

EUR
315 million
financial debt

The company maintained its financial position and reduced its financial debt.

USD
16.2 million

A new fund was launched with resources contributed by the Techint Group companies and the Fundación Hermanos Agustín y Enrique Rocca, to shore up community healthcare infrastructure.

Tecpetrol delivered



24

hospitals in Latin America:



12

ventilators



310

pieces of hospital
equipment



235,545

biosafety
items



+ USD

1.7 million

invested in education, health
and cultural activities



for

52,000

people in Latin America



+90%

of online training provided by Tecpetrol University to employees, to strengthen skills required for remote work.

+Diversity

First anniversary of our **+Diversity** program, celebrated with an online event with



7

panelists



590

spectators

New business area dedicated to leading the Group's energy transition in the search for and development of new businesses.

Actively participating in the **ProPymes Program**.



1,260

hours

online consulting



1,226

hours

online training



140

suppliers/
customers

15

COVID-19 Operational Prevention Protocols

implemented to mitigate the risks of contagion at the company's facilities.

USD

18.4 million

for improvements as a result of investment projects implemented by the Continuous Improvement Groups.



The impact of COVID-19

The oil and gas we produce comprise the main source of energy used to provide electricity, and supply the transportation, water and communications industries servicing the inhabitants of the countries where we operate. When the pandemic struck, we considered it essential to ensure the continuity of our activities, which was only possible thanks to the commitment embraced by our employees and the companies making up our value chain.

We put into place the necessary safety conditions to operate, and implemented a range of measures according to WHO recommendations and the guidelines applicable in each country where we function. We also stepped up to provide our communities with ongoing support, supplying their healthcare systems with essential items in addition to food assistance. In addition, we introduced new working practices at our own production facilities and offices.



“ Our priority is to ensure the health and well-being of those who come to work every day to perform an essential task: to provide the region with energy.”

Horacio Marin, General Director, Tecpetrol



“ We adopted highly stringent preventive measures to control and detect eventual cases of COVID-19, as well as mitigate its psychological and social impact on employees. We complied fully with the standards required by the health entities in each region.”

Federico Sameghini, Health, Safety and Environment Manager, Tecpetrol



“ Together with the local health authorities, we designed a support scheme to accompany healthcare personnel in public hospitals going about their daily duties, providing them with biosafety items and specific equipment. In each region, the different Tecpetrol sectors involved in the response to the COVID-19 emergency worked together to meet local needs and respond to the situation in the most efficient way possible.”

Pablo Martellotta, Head of Community Relations, Tecpetrol



“ The safety and well-being of our people is our priority. We implemented the Work From Home scheme for all employees able to do so, right from the beginning of the pandemic, while adapting controls and introducing new health and safety protocols for those people who continued working at our operations. We also held internal communication campaigns to raise awareness about the importance of self-care and launched a range of support activities to accompany employees during the lockdown.”

María Laura García, Talent Management & Communications Manager
- Human Resources, Tecpetrol



“ We adapted our ProPymes supplier development program, shifting it to a fully online format. This allowed us to reach a greater number of companies in the training and consultancy sessions, including those from more remote locations, to address specific needs as to how to continue growing in this new context.”

Luis Lanziani, Head of Supplier Development and Sourcing, Tecpetrol



“ COVID-19 has had a lasting and damaging impact on the economy worldwide, also affecting oil prices and the demand for hydrocarbons. In order to protect the company’s financial situation, we adjusted our investment plans, made additional cost reductions, adapted production levels to market conditions, and reduced our indebtedness.”

Victoria Peña, Financial Structuring Manager, Tecpetrol





Focus on sustainability

02

A three-pronged approach

The Sustainability Report is a tool that allows us to present our understanding of the principles guiding our business, and the contributions made by our activity. This second edition of the Tecpetrol Global Sustainability Report covers the period between January and December 2020, and presents the economic, social and environmental performance achieved in the countries where we operate: Argentina, Colombia, Ecuador and Mexico, as well as those where the company has a degree of participation or presence: Peru, Venezuela, Bolivia and Uruguay.

We have followed the Global Reporting Initiative (GRI) for sustainability reporting, selecting the Core option methodology and drawing from relevant aspects of the sectoral supplement applicable to oil and gas companies. As management tools, we have taken into account the Ten Principles of the UN Global Compact, the UN Sustainable Development Goals (SDGs), and the requirements of Spanish Law 11/2018 on non-financial information and diversity. The financial information has been drawn up in accordance with the International Financial Reporting Standards adopted for use in the European Union (IFRS-EU) which have been endorsed by European Commission Regulations. It should be noted that the information is consolidated since it includes Tecpetrol and its subsidiaries.

The Talent Management & Communications and the Community Relations sectors, which answer to the Human Resources and Institutional Affairs Department, were responsible for coordinating and compiling the information included in this report. The final stage of the process involved an exhaustive review of the texts by the Tecpetrol Board to ensure that their content was in line with the company's overall business vision.



Our stakeholders

Stakeholders play a key role in defining the company's relationship with its business environment, closely linked to its ability to achieve its objectives and grow in the long term. At Tecpetrol, we have identified the following stakeholders based on their interests and how much they could influence the company's performance and operations, as well as how much they are themselves affected, positively or negatively, by the same:

- Employees
- Local communities and indigenous peoples
- NGOs
- Suppliers and contractors
- Trade union organizations¹
- Media and public opinion
- Business entities and associations²
- Shareholders and risk rating agencies
- Other companies



We communicate with each group of stakeholders through different channels, such as online meetings, internal newsletters, a transparency and complaints hotline, an exclusive email address for suppliers, as well as our website and social networks.

Our relationship with union organizations was also adapted to the online meeting context, and we discussed issues such as the application of new protocols and workflows (shifts, medical checks, etc.), which were on the list of measures set by national and provincial governments. This allowed us to continue operating in the different basins while minimizing the possibilities of contagion.

Our aim is to achieve a close, two-way relationship with each sector to foster better mutual understanding through participation and feedback.

¹ We are accompanying the same union organizations as in 2019. For more details, please see the Tecpetrol 2019 Global Sustainability Report, page 52.

² For further information about the Business entities and associations we work with, please see the Tecpetrol 2019 Global Sustainability Report, page 17. In Ecuador, we joined the Pichincha College of Accountants.

New context, new dialogues

Taking into account the pandemic context and its impact on all areas of the organization, we updated the materiality analysis carried out in 2019 to gain fresh insight into the subject areas of relevance to the company's stakeholders and redefine priorities.

We opened a new space for dialogue with our different audiences through an online survey as a way of consulting with the internal leaders of each Tecpetrol area. This was complemented with the opinions and concerns contributed by our direct contacts in the community in each country, as well as influential referents from the media, and public opinion leaders in Argentina, in addition to Tecpetrol's key suppliers and customers.

We also evaluated the work carried out to update the Sectoral Roadmap Guidelines prepared to achieve the Sustainable Development Goals (SDG). These were drawn up by the sustainability committee of the Argentine Oil and Gas Institute (Instituto Argentino del Petróleo y del Gas - IAPG), with the support of the Argentine Business Council for Sustainable Development (Consejo Empresario Argentino para el Desarrollo Sostenible - CEADS).

The conclusions drawn from the analysis allowed us to build the following materiality matrix reflecting the most relevant issues for the business and for our stakeholders during 2020.



Contribution to the Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a reference framework designed to help companies incorporate sustainability as an intrinsic feature of their corporate and business strategies. Together with other leading companies in our sector, we are working to draw up a 2020 oil and gas roadmap which will be updated annually. The idea is to articulate a common vision, establishing levels of contribution to the SDGs throughout the value chain as well as collectively strengthening the license to operate, manage operational and regulatory risks, and open new markets for growth. The roadmap is also designed to act as a guide in helping to identify the principal opportunities in the sector where we can make an impact, setting key action items and monitoring systems for the industry.

How we at Tecpetrol are contributing

3 GOOD HEALTH AND WELL-BEING



Our HSE Management System is designed to protect the physical safety of our employees and third parties, and manage the risks and impact of our processes, for example, by ensuring safe operating practices and providing emergency response training. This is complemented by a broad-based program of benefits which includes initiatives to improve the working environment and provide emotional support.

4 QUALITY EDUCATION



We encourage our employees to pursue quality education and professional development through Tecpetrol University, and we also offer a range of different educational programs for the community, such as Technical Gene, the Roberto Rocca Scholarships and AfterSchool, among others.

5 GENDER EQUALITY



Our +Diversity program guarantees the plurality of voices and generational, cultural and gender diversity within the company.

6 CLEAN WATER AND SANITATION



We work to optimize water management and use, progressively increasing reuse based on an accurate diagnosis of the sources used and on an availability analysis.



8 DECENT WORK AND ECONOMIC GROWTH



Our ProPymes Program is aligned with the objective of achieving economic growth throughout our value chain.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



We permanently evaluate our processes with a view to optimizing them by incorporating new methodologies and implementing best industry practices.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



The company is committed to a culture of transparency and integrity, based on ethical behavior and compliance with the laws of the land.

SUSTAINA





Ethical commitment

Transparency and integrity

At Tecpetrol, we are committed to a culture of transparency and integrity, based on ethical conduct and an observance of the laws of the land. Our Code of Conduct⁴ underpins the standards governing the way our employees act and develop their relationships with our customers, partners, suppliers and other third parties involved in our business processes.

The Code reflects best practices regarding ethics, transparency, and compliance with the law. It is designed to strengthen the protection of personal data, encourage transparent economic competition and ensure a respectful work climate. In particular, it spells out that neither harassment in any form, nor child labor or exploitation of any kind, will be tolerated throughout our activities.

We also have a Business Conduct Policy setting out the principles and procedures drawn up to meet the requirements enshrined in the Code of Conduct and the different national and international laws prohibiting corruption or bribery practices. These include the U.S. Foreign Corrupt Practices Act (FCPA) and the OECD Anti-Bribery Convention.



⁴ https://www.tecpetrol.com/media/ynwgg04n/tep_int__coc_2018_esp.pdf

All those of us who are a part of Tecpetrol acknowledge and are committed to complying with the Code of Conduct and the Business Conduct Policy. Over the last year, all company employees completed their respective elearning courses on this topic, which are mandatory for all personnel.

Compliance Program and risk management

At Tecpetrol we consider that a comprehensive evaluation and understanding of the company's corruption risks is vital to the design of an adequate Business Conduct Compliance Program.

This Program envisages substantial measures as part of its periodic risk evaluations, in order to:

- Identify the risks of bribery that the company could face
- Analyze, evaluate and prioritize the risks identified
- Evaluate the suitability and effectiveness of current company controls aimed at risk mitigation and management

The Business Conduct Compliance Officer (BCCO) is responsible for administrating and supervising the Business Conduct Policy and for implementing actions to prevent, detect and mitigate corruption risks.

The Tecpetrol Compliance Program includes a series of policies and procedures aimed at ensuring consistent compliance with anti-bribery regulations and industry best practices worldwide. The ten key activities included are: Risk Assessment and Planning, Regulatory Framework, Counseling and Guidance, Communication, Training, Certifications, Third-party Assessment, Monitoring and Auditing, Discipline and Remediation, and finally Benchmarking.

Third-party evaluation

Tecpetrol's Compliance Program also includes specific procedures used to evaluate, select and hire the company's representatives, customs agents, permit managers, partners, advisers and consultants. These procedures include due diligence processes, internal authorization controls, and provisions to guarantee third-party commitment to Tecpetrol's anti-corruption policies.

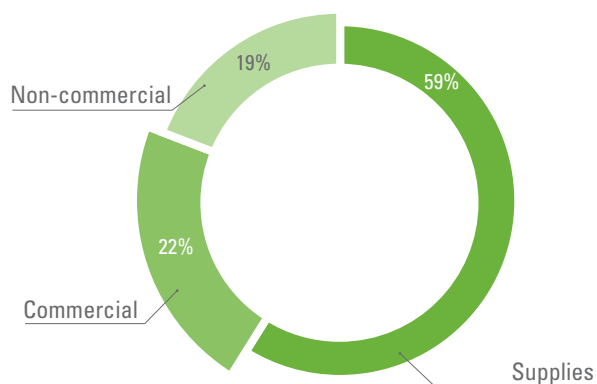
Assessments are carried out to determine these parties' exposure to business conduct risks: those considered high risk are identified and categorized, before being required to undergo an integrity and due diligence assessment prior to initiating any binding business relationship.

Given the critical role played by suppliers in the Compliance Program, we have also developed the Code of Conduct for Suppliers based on UN recommendations, which is accepted and recognized by all our suppliers.

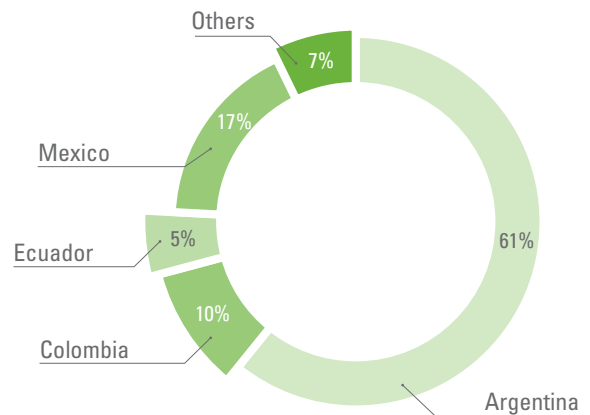
In addition to the controls established in our Compliance Program, employees are encouraged to contact the compliance area with any questions as well as to request third-party evaluation to forestall possible corruption incidents and mitigate their impact.

The following graph shows the numbers of inquiries and approval requests received by country in 2020.

Distribution by area



Distribution by country





Dissemination, communication and training

The spirit of Tecpetrol’s unwavering search for improvement is reflected in the efforts invested in the company’s training and monitoring programs and the constant interaction between the Business Conduct Compliance Officer, the Audit, and Legal Services Departments.

Our awareness-raising and communications campaigns seek to reinforce people’s knowledge and understanding of business conduct principles, and highlight the importance of the company’s system of checks and balances. A recent company-wide campaign drew attention to the principles enshrined in the Code of Conduct and the company’s internal controls under the slogan "Be alert, seek advice and do the right thing", complemented by an article about the importance of ethics and compliance in times of crisis.

In addition, we regularly roll out communication campaigns about the Compliance Program, highlighting the importance of transparency and integrity and communicating guidelines, policies and procedures in addition to underscoring the importance of keeping transparent and accurate records.

These campaigns are transmitted through the company’s many different channels according to the target audience, ranging from notifications, news, publications on the intranet, and induction meetings, in accordance with industrial and business best practices.



This photo was taken prior to the COVID-19 pandemic.



This photo was taken prior to the COVID-19 pandemic.

During 2020, the company issued eighteen staff communications, including a message from Senior Management (CEO and Directors) aimed at raising awareness and ensuring employees remain alert to the possible risks of corruption.

During 2020, 316 employees received training in this area, attending online courses as the in-person training programs had to be adapted to this context in March, following the pandemic isolation measures imposed by different governments.

By December 2020, 99% of the company's personnel with a high exposure to business conduct risks had received training, along with 97% of the personnel responsible for hiring and supervising high-risk third parties. A specific training program was also launched for suppliers currently providing services to Tecpetrol.

As part of the continuous evaluation of the program's effectiveness, audit and monitoring activities are regularly carried out, enabling any likelihood of non-compliance to be detected early, and allowing the necessary remediation measures to be adopted where appropriate.

Transparency Hotline

In accordance with the company's standards of integrity and transparency, a confidential communication channel called the "Transparency Hotline" is available 24/7 to all company employees, customers, suppliers, investors and third parties.

This channel allows people to report any conduct contrary to the Code of Conduct or its principles. The Audit Department is responsible for receiving and analyzing the reports from the Transparency Hotline, and all information provided is treated as strictly confidential according to applicable legislation.

Reports may be filed with the Transparency Hotline in writing or by calling the toll-free 0800 numbers available 24/7 in each country where we operate.

- Last year, the reports received had a verifiability rate of 54% and led to the application of disciplinary measures, helping to improve the company's internal control environment.
- In 77% of the reports, the complainant identified themselves.


Governance

In order to protect company and shareholder interests, the company has a Board of Directors, the highest governing body in the corporate hierarchy. It comprises six members who met nine times during 2020 to review the most relevant developments impacting the company.

The members sitting on the Board of Directors are:




Carlos Arturo Ormachea
CHAIRMAN

 Argentina
Resident in Argentina



**Gonzalo de Benito
Fernández**
SECRETARY

 Spanish
Resident in Spain




Rosana Marcela Garoby

 Argentina
 Resident in Spain





Claudio Gabriel Gugliuzza

 Argentina
Resident in Argentina




Carlos Enrique Macellari

 Argentina
 Resident in Spain



Carlos Guillermo Pappier

 Argentina
Resident in Argentina





Economic Performance

04

Tecpetrol in numbers



The COVID-19 pandemic had an adverse impact on all areas of the global economy, particularly affecting the price of oil, which fell by more than 50% towards the end of March 2020. During the second quarter, oil-producing countries reached an agreement to reduce production, which, added to the gradual exit of European and Asian countries from the pandemic and the consequent increase in demand, prompted a recovery in oil prices that was consolidated in the third quarter.

At the outset of the pandemic, the governments of the countries where we operate took measures to restrict population circulation, imposing lockdowns and curfews. Circulation permits were only issued to people involved in the provision and production of essential services and products, which had a major impact on the demand for hydrocarbons.

The Company Board has been closely monitoring the situation, taking measures according to the complexity of the context in order to safeguard the safety of its personnel, ensure the continuity of operations and preserve its financial situation. These actions included readjusting investment programs, optimizing costs and adapting production levels in line with market conditions, working with customers and the supplier value chain to preserve the company's sustainability.

Onsite access by essential operational personnel to the company's fields was organized according to small independently-functioning units or cells, while all other employees worked from home. These changes set the course for a new normal that allowed us to continue work at our operations with no significant negative consequences for our information systems and internal financial controls.

EUR
1,179 million
in net sales

EUR
789 million
in EBITDA

EUR
118 million
in investments in
property, plant and
equipment and
intangible assets.

EUR
159 million
of net debt (Net Debt = Financial Debt
– Cash and Cash Equivalents and Other
short-term investments) taken mainly to
meet investment needs in the Fortin de
Piedra area in Argentina.

Economic-financial Indicators

The following table summarizes the financial results for the year ended December 31, 2020 compared with the previous year, in Euros.

Tecpetrol and its subsidiaries

	December 31, 2020	December 31, 2019
Net sales income	1,179,369,048	1,594,168,006
Operational costs	(778,116,662)	(950,737,061)
Gross earnings	401,252,386	643,430,945
Marketing expenses	(81,133,385)	(79,857,895)
Administration expenses	(52,524,797)	(66,163,287)
Exploration costs	(24,763,270)	(16,953,914)
Other operating income	6,177,875	7,669,205
Other operating expenses	(5,463,420)	(3,339,824)
Operating income	243,545,389	484,785,230
Financial income	27,286,861	20,385,500
Financial costs	(50,882,156)	(58,737,855)
Other financial results, net	(142,255,206)	(155,056,896)
Profit before profit or loss from investments in companies accounted for using the equity method and income tax	77,694,888	291,375,979
Profit from investments in companies accounted for using the equity method	27,173,391	77,043,344
Profit before income tax	104,868,279	368,419,323
Income tax	(50,082,342)	(150,606,031)
Result of the period	54,785,937	217,813,292





Our people

Working in times of COVID-19

The crisis that we are going through worldwide has altered our routines and changed the ways we interact and work together as a team, among so many other things. Everybody, throughout the different areas in the company, was affected, as much those who were tasked to work from home, as those who continued to work in-person at operations due to their role as essential personnel.

Our commitment to employee health, safety and well-being continued unabated despite the many challenges. We reduced people's risk of contagion by encouraging them to work from home, canceling business trips and introducing new practices for workers at our operations. This meant reorganizing groups into small work units or cells that could function independently. We assigned specific areas in public spaces such as access points, work-stations, dining halls, bathrooms and personnel transport to ensure everybody was able to respect the recommended social distancing. We established comprehensive disinfection and ventilation routines for vehicles and facilities, and carried out temperature checks for employees accessing the premises to work, distributing facemasks and faceshields in accordance with the guidelines given by local health authorities and our medical service.

The extraordinary motivation and effort shown by all our employees is a source of pride for us, as even in the times of greatest uncertainty, they worked untiringly to guarantee the continuity of operations and adapted to new working arrangements. In line with the company's mission and values, Tecpetrol has renewed its commitment to promote professional development, enhance its value proposition to attract and retain talent, and enable a healthy and safe environment for everyone. We are a team of 836 employees distributed throughout seven countries, as follows:



Employee profile

 Argentina



461



127

By category

75

10

Director and/or managers
of functional area

81

19

Middle management

228

36

Professionals / specialized technicians

77

62

Employees / operators /
administrative / assistants

By workplace

175

85

Employees at central office

286

42

Employees at fields

By age

45

34

Under 30 years

340

74

Between 30 and 50 years

76

19

Over 50 years

By type of contract

455

124



Indefinite or permanent contract

6

3

Fixed-term or temporary contract

Ecuador

 **56** **10** 

By category

7 **0**

Director and/or managers
of functional area

9 **3**

Middle management

39 **6**

Professionals / specialized technicians

1 **1**

Employees / operators /
administrative / assistants

By workplace

31 **10**

Employees at central office

25 **0**

Employees at fields

By age

0 **0**

Under 30 years

55 **10**

Between 30 and 50 years

1 **0**

Over 50 years

By type of contract



55 **10**

Indefinite or permanent contract

1 **0**

Fixed-term or temporary contract

Mexico

 **119** **21** 

By category

11 **2**

Director and/or managers
of functional area

18 **1**

Middle management

81 **11**

Professionals / specialized technicians

9 **7**

Employees / operators /
administrative / assistants

By workplace

10 **6**

Employees at central office

109 **15**

Employees at fields

By age

20 **4**

Under 30 years

93 **16**

Between 30 and 50 years

6 **1**

Over 50 years

By type of contract



117 **21**

Indefinite or permanent contract

2 **0**

Fixed-term or temporary contract

Colombia

 **19** **12** 

By category

3 **0**

Director and/or managers
of functional area

3 **5**

Middle management

12 **2**

Professionals / specialized technicians

1 **5**

Employees / operators /
administrative / assistants

By workplace

3 **7**

Employees at central office

16 **5**

Employees at fields

By age

1 **5**

Under 30 years

16 **7**

Between 30 and 50 years

2 **0**

Over 50 years

By type of contract



19 **12**

Indefinite or permanent contract

0 **0**



Fixed-term or temporary contract

Venezuela

 **2** **2** 



By category	
1	2
Director and/or managers of functional area	
0	0
Middle management	
1	0
Professionals / specialized technicians	
0	0
Employees / operators / administrative / assistants	
By workplace	
2	2
Employees at central office	
0	0
Employees at fields	
By age	
0	0
Under 30 years	
1	0
Between 30 and 50 years	
1	2
Over 50 years	
By type of contract	
2	2
Indefinite or permanent contract	
0	0
Fixed-term or temporary contract	

Peru

 **3** **0** 

By category	
0	0
Director and/or managers of functional area	
0	0
Middle management	
1	0
Professionals / specialized technicians	
2	0
Employees / operators / administrative / assistants	
By workplace	
3	0
Employees at central office	
0	0
Employees at fields	
By age	
1	0
Under 30 years	
2	0
Between 30 and 50 years	
0	0
Over 50 years	
By type of contract	
3	0
Indefinite or permanent contract	
0	0
Fixed-term or temporary contract	

Uruguay

 **3** **1** 

By category	
1	0
Director and/or managers of functional area	
0	0
Middle management	
1	1
Professionals / specialized technicians	
1	0
Employees / operators / administrative / assistants	
By workplace	
3	1
Employees at central office	
0	0
Employees at fields	
By age	
1	0
Under 30 years	
2	1
Between 30 and 50 years	
0	0
Over 50 years	
By type of contract	
3	1
Indefinite or permanent contract	
0	0
Fixed-term or temporary contract	

Note: in order to be aligned with the criteria used in our Financial Statements, this table only considers the Headcount from 2020.

Towards a New Way of Working

The Human Resources area acted as facilitator and mediator to enable the business to continue with the least impact possible, despite the circumstances. This meant devising a new way of working where speedy decisions could be analyzed and taken about each process and area. These ranged from performance evaluation and development to training strategies and workspace design, including effective communications to raise awareness among internal audiences about individual care and how to prevent contagion.

To install this new dynamic, the first step was to reinforce and recognize where we come from, focused on the values guiding what we do. With an emphasis on our identity, we developed three pillars:

I am Tecpetrol

Our values, our beliefs, our experiences

- We assume complex **challenges** with **energy, passion** and **commitment**.
- We work with **professionalism, tenacity** and **transparency**.
- We have a technical vocation and a long-term vision.
- We share the **knowledge** we generate.
- We accept, value and promote **diversity**.
- We take care of the **environment** and the **safety** of our employees and contractors.
- We are committed to and respect our **communities**.

I am a Leader

Our Leadership

- We understand how **we add value**.
- We are **committed to developing** our talent.
- We understand what it is that **drives us** and what we are **passionate about**.
- We seek to **innovate, inspire** and **positively influence** our environments.
- We promote **flexibility** and **collaboration**.
- We bond with **empathy, confidence** and **an open mind**.
- We put our **values** into action.

I am an Expert

Training through skills

- We create and strengthen our knowledge based on skills which are:
 - Technical
 - Managerial
 - HSE

We tackled these new challenges in the knowledge that it would be necessary to incorporate certain skills, both as a company and individually, in order to overcome them. For this, our communication centered on nine behaviors:



Improve agenda management and priority setting.



Encourage the adoption of new technologies.



Foster a collaborative work environment.



Reinforce a culture that actively promotes continuous learning, innovation and an entrepreneurial spirit.



Strengthen employee accountability and autonomy in new work settings.



Be agile in taking decisions, organizing processes and optimizing the work agenda.



Reinforce a culture that recognizes and gives constant and frequent feedback.

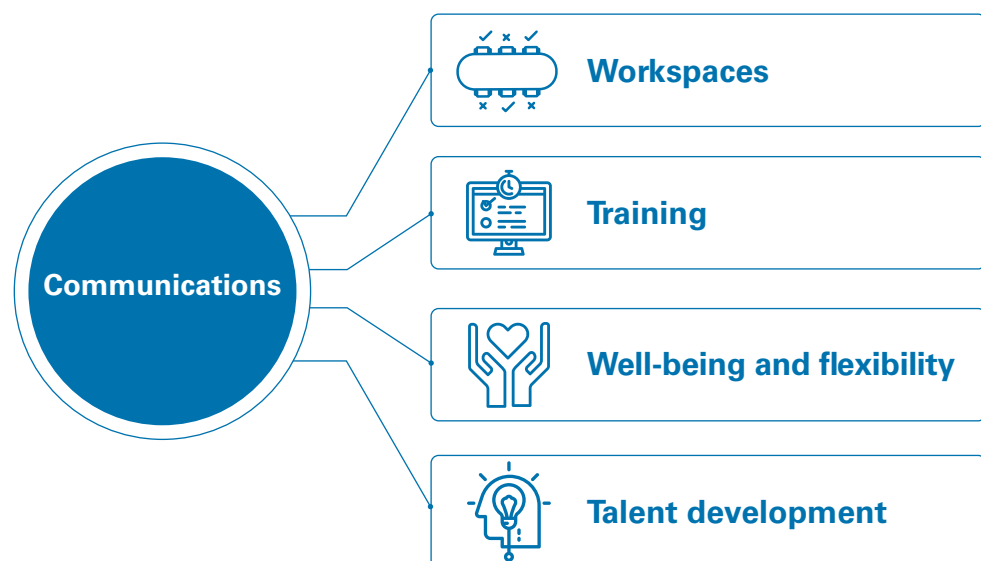


Stimulate leadership skills based on active listening and empathy.



Encourage healthy behaviors aimed at preserving the well-being of all team members.

Then, we defined four lines of work to organize the different projects to be developed and the initiatives which had already been implemented:



Workspaces

Driven by the restrictions imposed by the pandemic, we redesigned workspaces according to the criteria of prioritizing and protecting the health of our people and their families. While some of our teams migrated to a Work From Home scheme, we reorganized the shifts at our operations so that essential employees could continue to come in for face-to-face work. This led us to implement a COVID-19 protocol and evaluate changing to a different way of working marked by two factors: flexibility and a healthy work-life balance.

To define and implement this transformation, we set up a working group together with the other companies in the Techint Group. Their remit was to map our offices around the world and propose options to accommodate a more flexible way of working.

With the conviction that working in the offices adds value, stimulates creativity and encourages many different layers of both formal and informal dialogue, the team began to evaluate design alternatives to enable a more flexible use of common work areas and meeting rooms, as well as spaces for less formally structured interactions. The focus is on optimizing interaction, as we believe that sharing ideas leads to innovation, lays the foundations for long-term growth and plays a key role in building our corporate culture.





Training

Consolidating our development by training committed employees has always been a priority for us. Broadening and enriching people's personal and professional growth horizons is intrinsic to our culture, something we put into practice through Tecpetrol University. Under the motto "Training is never put on hold", we adapted our offer to the new pandemic scenario in order to continue with all the scheduled corporate and in-company training courses, complying with the 2020 agenda.

We held four short, anonymous Pulse Surveys throughout the year for all company employees to detect new needs and expectations, which enabled us to take better advantage of people's efforts, set priorities and respond more efficiently: as a result, over 85% of employees rated the support received from the company during this time as positive.

We developed new training modalities covering topics ranging from digital and remote working skills to socio-emotional skills, in the understanding that learning new skills is one of the best ways of responding to the changes created by the context.

The actions and initiatives that we implemented during this cycle were:

1. Managerial training

Taking in-person courses online: All the 2020 courses scheduled, such as the languages cycle, in-company training sessions and the corporate training courses, were adapted and migrated online, allowing us simultaneously to expand the scope of courses on offer and cast the net wider by inviting participants to join us from different countries. Our performance management process training also took place online: we held workshops about setting objectives, and webinars on "Converting dialogue into a way of developing and evaluating potential" and "Mindful Feedback". Another of the activities carried out in virtual format for the first time was the management induction week for young professionals.

Launch of a webinar cycle: One way of being there for our people was through a cycle of weekly one-hour talks covering topics related to the New Way Of Working, including the so-called "soft" areas, such as managing emotions and stress, different communication styles, teamwork and leadership, among others. At these meetings, participants had the opportunity to observe specific management tools in action, such as providing virtual feedback, giving an assessment of someone's potential and managing development conversations, among others.

2,800 hours
of training given in
2020

116
participants
per talk
(average)

80
participants
per talk
(average)

4.1
average score
(1 to 5)

COVID-19 moment: At the start of each activity, we held what we called a "Covid Moment" to transmit corporate messages about safety, raise awareness among employees and provide information about COVID-19, as well as the latest news on the pandemic situation in each country where Tecpetrol operates, and in the rest of the world. These talks were given by representatives from Health, Safety, and Environment (HSE).

Virtual learning paths: We created six learning paths: Remote Work, Decision-Making and Leadership in a Context of Uncertainty, Project Management, Delegation and Empowerment, and Labor Welfare. In each case, we included resources in different online formats such as elearnings, webinars, videos, podcasts and articles, among others.



2. Technical training

IFM-Solutions | Elearnings: We incorporated a new tool involving a series of elearning tutorials drawn up by IFM-Solutions, which offers consulting services designed to optimize production and the reservoir recovery factor for oil, gas and condensate fields. Aimed at reservoir engineers, production engineers and facilities engineers, the tutorials are designed to teach participants about different resources and standard market applications used in our industry, such as, Prosper, MBAL, Sahara, GAP, PVTP and Openserver, using explanatory videos, relevant texts and practical cases.

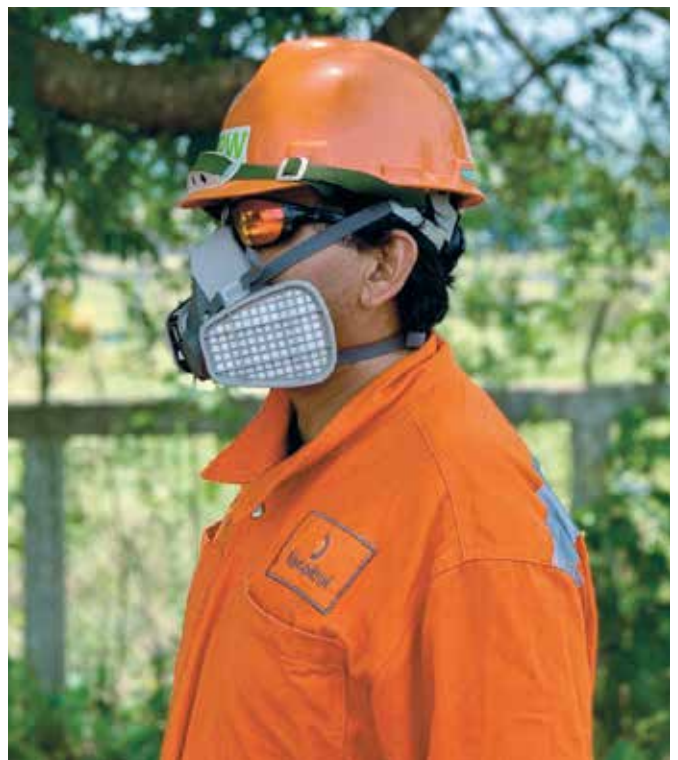
Training plan based on the Skills Management Model: Our management model defines the skills required for each job position and the standard to be reached for each skill. The training plan is a practical tool aimed at filling in the gaps detected during the process to evaluate people's technical skills, offering them the opportunity to work on their management skills and professional development.

This is a proprietary development system designed to help employees proactively create and manage their own training plans. It is currently being implemented as a pilot program for our exploration and development area.

3. Safety training

Leadership in Safety Program: Aimed at strengthening the company's health and safety culture, it emphasizes specific behaviors and commitments which need to become part of our DNA as an organization. During the first stage, seventy-five leaders participated in workshops aimed at bolstering our health and safety culture. In the second phase, twenty-eight coaches were trained to quickly and effectively communicate what they had learned to their teams and contractors. In 2021, the challenge continues with a third stage where leaders, as drivers of change, have the opportunity to impact the entire organization.

Development of HSE Elearning Software: Designed to meet the requirements underpinning our HSE (Health, Safety and Environment) management system and dovetail with new technologies, the program provides tools for practical daily use. This elearning breaks down the different functions performed by this software and teaches the methodology involved in Tecpetrol's HSE management through explanatory videos.



Training indicators

TRAINING HOURS - GLOBAL 2020								
	Total	Argentina	Ecuador	Mexico	Colombia	Peru	Venezuela	Uruguay
By gender								
Men	28,144	13,426	3,759	9,417	1,463	36	26	18
Women	7,747	3,907	628	1,531	1,604	-	57	22
By job category								
Directors	232	232	-	-	-	-	-	-
Managers	3,616	2,180	599	496	249	-	75	18
Senior Professionals	19,404	7,372	3,531	6,445	2,017	10	7	22
Junior Professionals	2,682	1,631	-	799	226	26	-	-
Young professionals	3,921	2,528	26	853	513	-	-	-
Employees	35	35	-	-	-	-	-	-
Technicians	5,699	3,279	177	2,182	62	-	-	-
Others	304	76	55	174	-	-	-	-
By type of content								
Technicians	12,050	7,112	1,658	2,392	847	-	29	14
Managerial	7,557	3,956	1,171	1,248	1,074	36	54	21
Safety	10,862	2,216	1,329	6,703	609	-	-	6
Systems	896	854	40	2	-	-	-	-
Languages	4,491	3,195	189	604	503	-	-	-
Diffusion	36	-	-	-	36	-	-	-
By training format								
In-person	3,573	1,733	439	1,095	307	-	-	-
Virtual	32,319	15,599	3,948	9,854	2,761	36	82	40
Labor hours	1,926,144	1,324,576	162,976	331,760	83,600	6,336	8,448	8,448
Training indicators	1.9%	1.3%	2.7%	3.3%	3.7%	0.6%	1.0%	0.5%



Persona Award for the "Simulators" program

The Simulators initiative was developed by a multidisciplinary team from Tecpetrol as a training tool proposing simulation scenarios for young professionals. The aim is to help them develop business acumen, understanding the variables of a business situation and taking interrelated decisions to eventually obtain results that maximize profits.

In 2020, this initiative was ranked fourth among the ten best projects of the *Persona Awards* granted to Outstanding Human Resources practices, organized jointly by BenchClub and Dossier Talento & Empresa. The contest is held in Argentina to showcase the work carried out by companies, NGOs or government entities that have had a positive impact on well-being and productivity in their organizations and among employees.

Sixty-five projects were presented and evaluated by a jury of fifteen Human Resources experts, according to four parameters: quality of presentation, applicability to other companies, creativity and innovation, and their ability to solve problems and achieve impactful results.

Well-being and flexibility: a way of being close

Taking into account local needs and the competitive practices inherent to our activity, we have launched a well-being plan for all employees based on five axes: "your family and you", "your health", "your well-being", "your growth" and "your personal finances".

Over 2020, we worked to devise a scheme offering people greater working flexibility to benefit their personal work-life balance. We also wanted to provide support to employees in different areas closely related to their well-being, such as their family life, mental health and economic stability.

We focused on developing a dynamic that prioritizes content and objectives over dedication based on time, making entry and exit hours more flexible, and allowing anybody who can and so wishes to work from home for a maximum of two days per week. In practice, the system is being implemented in an agreed and scheduled manner depending on context, and involves all areas including fields and plants.

In other areas, the lockdown had a direct impact on the deployment and use of in-person activities related to family, health and sports, such as the gym, family recreation and medical check-ups.

In the case of maternity and paternity leave, we offered parents flexible reincorporation schemes, gave them a gift for their new-born, and offered them the option to access a special loan whose amount varies according to each country. On the economic side of things, we continued to offer personal loans and gave staff members who worked from home an equipment voucher to help them set up their home office. We worked closely with the IT sector to solve technical issues and ensure connectivity.

At the end of the year, we held a virtual meeting where we shared a symbolic toast and each employee received gifts from the company to share with their families.

At year-end, we held an online meeting to toast all our colleagues, and each employee received gifts from the company to share with their families.



Talent development

Internal talent is vital for the company as it looks to the future in this new stage of development, dominated as much by industrial tendencies as by the global context. We are investing resources in professional growth by teaching innovative tools, skills and processes.

New development protocol

We designed a development protocol for talented employees with the greatest potential, allowing us to plan and structure different actions to retain talent, including initiatives to promote their professional growth.

We use surveys or individual conversations to identify people's know-how, their interest in and expectation of internal rotation, among other things. The protocol then acts as a guide for monitoring training indicators and their needs for technical training and possible mentoring and coaching actions. The ensuing document allows us to be more agile about taking decisions when planning the development of our people and the business.

New skills

Employee performance evaluation was initially based on five skills areas: teamwork, business management, leadership, customer orientation and professionalism. Together with the other Techint Group companies, we undertook a detailed analysis of these skills and their descriptors to adapt them to the new work dynamics, upgrading them in line with the new behaviors demanded by the business. This analysis is scheduled to be completed in 2021, and certain skills or descriptors (actions which evaluate it) will be modified or cease to exist, with new ones being added to the evaluation.

Performance evaluation

Despite the context, in 2020 we continued to respect the backbone of our annual performance review process, understanding that this is what enables it to be transparent, fair and efficient. We started working to adapt our Performance Management System platform to make the process technologically and conceptually more agile.

In practice, we put our sights on adapting the stages of self-assessment, evaluation and feedback as well as inputting objectives in time for the next evaluation period, due largely to the pandemic context and how this impacted on the company's work plans and on each employee's ability to achieve their objectives.



- We brought forward the performance talks for both employees and their bosses.
- We launched a communications campaign encouraging leaders to review their work plans with their teams and adapt objectives to the new situation. After these meetings, more than 70% of the plans underwent changes.
- We held workshops to ensure that the online feedback process would still achieve its goals.
- We encouraged people to upload comments about each objective when evaluating and self-evaluating.
- We held our comparative personnel standardization committees and pre-committee meetings online so that managers and directors from different areas could adjust or validate the evaluations for each collaborator through consensus.
- We built a performance site where we published information from the entire process in a logical yet intuitive way.
- We structured committee meetings by focusing on fostering debate and exchange, essential for the virtual environment to be a benefit in these instances.
- We made sure all the directors were more involved in assembling and providing performance information, before, during and after the process.

These modifications prompted us to seek greater flexibility and adaptation in people's work plans and in the way these were monitored, as well as in the communication and rapprochement between leaders and their teams. We were thus able to achieve a more detailed and dynamic process, looking not only at the tasks undertaken by each person, but also at their work contexts.

During 2020, we evaluated 887 people: 67% in Argentina, 18% in Mexico, 10% in Ecuador, 4% in Colombia and 1% in other countries (Uruguay, Peru, Venezuela).

Bringing new talent on board

We offer equal job opportunities to all applicants, without discrimination of any kind, prioritizing the skills, abilities and training required for each position.



When choosing a candidate, we evaluate their personal qualities to make sure they are a fit with Tecpetrol's values and style, as well as assessing their psycho-physical profile and potential for professional development within the organization.

As a general internal development policy, Human Resources first considers employees working at the company where the vacancy arises, and then evaluates local external candidates. In each selection process, we guarantee data confidentiality and transparency when it comes to providing feedback to each of the interviewees.

In 2020, the only channel used was online interviews, and forty-eight new people were added to the headcount.

New hires per country | Headcount

37
Argentina

7
Colombia

3
Mexico

1
Venezuela

48
Total

Note: there were no incorporations in Ecuador, Uruguay and Peru.

+Diversity additions

The program was launched in 2019 with the mission of guaranteeing the plurality of voices within the company, and with the conviction that generational, cultural and gender diversity strengthens work teams and enhances talent development. In the context of the pandemic, we adapted the dynamics of each proposal to virtual formats, which allowed us to connect employees from different regions, fostering greater networking and a sense of belonging to Tecpetrol.

Based on this premise, during 2020 we worked on the following initiatives:

1. We continued with the maternity coaching program as a space for future mothers, or those returning from maternity leave, to share concerns and receive support.
2. We held a webinar on unconscious biases with a global reach.



3. We continued with our women's talks cycle, an opportunity to reflect on barriers to career choices and the glass ceiling, how to challenge their own paradigms and strategies for growth in an organizational context.
4. We invited entrepreneur Mateo Salvatto to give a talk on "Generational Diversity", as part of our drive to broaden the program's focus by opening it up to different generations and cultures, looking at how different generations coexist and enrich each other in the corporate sphere.
5. We developed an online format for our mentoring program, expanding the possibility of pairing with mentors from other regions to refine experiences.
6. We launched a call for tender for suppliers to design and deploy the Paternity 4.0 program, a space designed to provide support and accompaniment to recent or future fathers where they can exchange views about their role as father and professional in an informal environment.
7. We continued gathering information as the precursor to carrying out the diagnostic process included in the UN's Women Empowerment Principles (WEP) and setting an action plan.
8. We celebrated the first year of the program with an online meeting featuring Tecpetrol CEO and Chairman Carlos Ormachea, as well as seven panelists, which was attended by 590 people. The objective was to transmit the company's diverse DNA to a broad audience through the testimonies of employees of different nationalities, genders and ages.
9. We launched the Lean In Together Circles and held two editions in Argentina, attended by thirty-five participants: fifteen women and twenty men. Following the positive reception given to this initiative, the plan is to continue holding these meetings virtually and expand them to other countries for a global reach.

In 2021, we are planning to set up a Project Governance Committee with the participation of two company directors, two employees from different areas and representatives from Human Resources to evaluate and discuss project-related issues. The idea is for the team to be renewed each year and its remit will be to review processes and policies to ensure a more inclusive approach is taken at project level.







Responsible value chain management

06

Comprehensive supplier development

Strengthening our commitment to developing suppliers is vital to protect the generation of business value. We are thus constantly seeking ways to strengthen and enhance our relationship with each member of the value chain to guarantee the quality of the goods and services contracted, as these are key to the success of our productive activity.

The pandemic scenario and the ensuing need to shift our training programs online also opened the door to new opportunities in the way we incorporate, evaluate and train suppliers and contractors. These included the chance to streamline processes as part of our policies on transparency, quality, safety, environmental care and health.

Contracting policy

Our aim is to ensure that the processes followed to incorporate suppliers are efficient, transparent and fair. We evaluate the range of different offers on the market based on criteria such as: suitability and local availability, solvency, the quality of the services requested, technical aspects, and their prevention and performance track record in HSE.

In 2020, we included two proactive instances in recruitment and selection procedures, as well as a new supplier evaluation and qualification instance to enable them to participate in bidding processes:

Pre-qualification tool

With the aim of improving the response to our calls for tender, we developed a fully digital solution which we opened to our communities in order to increase the visibility of opportunities to work with us and enhance the real and potential supply capabilities of local, national and foreign companies. This involves a form which is available on our website and publicized by different Chambers, Federations, industrial and business clusters and/or conglomerates. The form must be filled in with basic data about the organization, its management areas and solvency status. Using this tool not only allows us to identify new companies, but also offers our regular suppliers the opportunity to make their entire offer available, driving healthy competition in the bidding processes.



This photo was taken prior to the COVID-19 pandemic.

The platform already has over 600 companies registered, mostly from Latin America, although there are also companies from other regions.

Evaluation and qualification

In 2020, we built a database of qualified suppliers for each group of items or services, which is managed by the procurement area using the IVALUA platform. The platform handles the supplier registration process, including company background checks to verify business conduct and adherence to Human Rights policies, and also requests compliance with our codes of conduct and ethics. The platform also records administrative information to ensure a viable working relationship.

In more sensitive cases, we carry out thorough evaluation processes to establish whether the supplier has the right management tools to carry out the tasks required without incurring in deviations that could affect people's health and safety, the environment, and our facilities and operational continuity. This evaluation was designed according to eighty-three requirements established on the basis of an analysis of the key requisites in the ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and API Q2 standards: First Edition 2011/16.

The evaluation uses a specific method to identify, weight and analyze requirements according to different groups of items and services, and thus ensure a consistent evaluation report with the least bias possible. The model is based on information from:

- A CPOS matrix (Criticality of Product or Service), developed by the Supplier Management department, with input from the Business Conduct department, HSE and Operations Management.



This photo was taken prior to the COVID-19 pandemic.

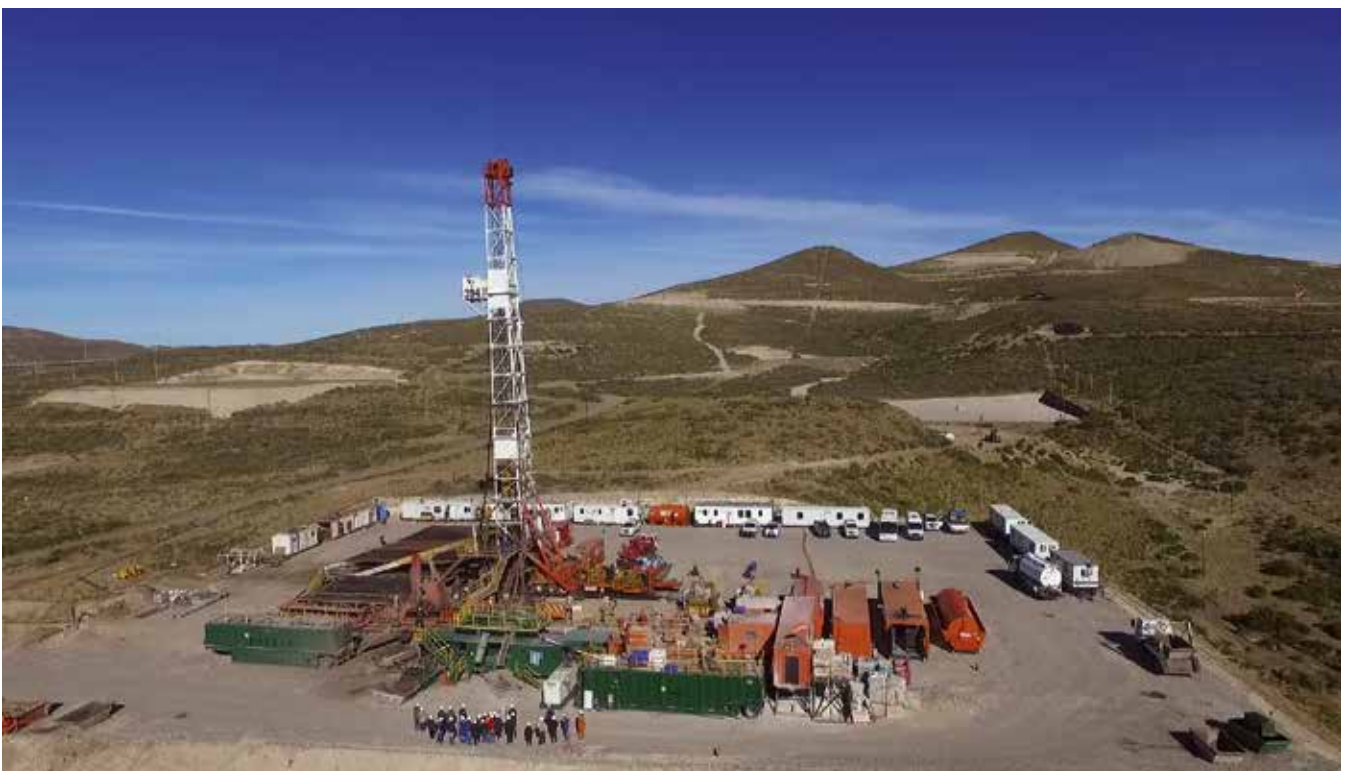
The matrix is built on five axes which assess operational continuity, image and compliance, the safety of people, the environment, and company assets.

- A use-case matrix which assigns each group of items or services a level of criticality using the CPOS matrix as a criterion, and factors in the risks inherent to each task involved.

Based on the responses to questions about the eighty-three requirements asked of the suppliers for the groups of items and services considered critical according to the analysis detailed above, a report was drawn up with input from the HSE department. The results and any observations about these are uploaded onto the IVALUA platform to be available to the purchasing officers working in Supply Management.

We have implemented this methodology throughout our operations to unify criteria and eliminate subjectivity, creating a comprehensive information base allowing us to establish mechanisms to increase liquidity in terms of quantity and quality. Suppliers that successfully pass this process can register with the IVALUA platform and bid for contracts in the categories of items and services enabled.

As the process is fully digital, it allows us to perform individual or global diagnoses which can be segmented so as to enhance supplier development processes and create information of use for Chambers, Federations, industrial and business clusters and conglomerates, about the state of the companies in the value chain. The idea is to be able to objectively identify supplier strengths and weaknesses as well as areas of opportunity.



During 2020, 1,085 companies participated globally in our bidding processes.



The following table details the amounts allocated to the main items in our supply chain:

Purchases (in USD million)

Sub-classification	Argentina	Colombia	Mexico	Ecuador	Total
Facilities	61.2	27.6	4.8	5.7	99.3
Operations & Maintenance	101.8	10.8	12.9	1.4	126.9
Drilling	47.7	10.5	14.5	0.4	73.1
Completion	13.6	-	1.2	0.1	15.0
Support services	23.8	2.6	4.4	1.7	32.5
Total	248.1	51.6	37.8	9.3	346.8

Note: as from 2020, we decided to prepare the reports referring to the amounts certified instead of awarded, as the numbers are more representative of our activity.

Performance evaluation

During the contract validity period, we perform regular evaluations of supplier administrative, personnel and safety performance as well as aspects related to their fulfillment of the deadlines and objectives established. In these instances, we try to detect opportunities for improvement, analyze the results and define priorities for issues such as labor, the unions, and HSE.

The service managers are in charge of reporting any deviations during contract management in a digital communications book. The supplier in question is obliged to review these or make comments, and must implement the corresponding solution if required.

ProPymes Program: a commitment to our value chain

Since 2002, the ProPymes Program has sought to promote the growth of small and medium-sized companies (SMEs), whether they are customers or suppliers of the Techint Group, in Argentina. The Program provides support to help them enhance their competitiveness and optimize their production and export capacity, and advises them on investments and the acquisition of capital goods.

As a consequence of the pandemic, we adapted the ProPymes consultancy and training plans so they could be imparted in a fully online format: one of the positive results was that a greater number of companies from different parts of Argentina were able to access high-quality training, which was impossible with the earlier in-person scenario. The consultancy provided is based on the result of the supplier qualification report and its aim is to structure medium and long-term support plans. The emphasis is on providing specific tools to help SMEs overcome the current crisis without compromising their vision, and to develop a strategic approach to team management, improving overall company administration.



This photo was taken prior to the COVID-19 pandemic.

ProPymes in numbers

- 140 companies actively participated in the program
- 1,260 hours of online consulting
- 1,226 hours of online training
- Two technical operational training sessions on "Safe mobile crane operation lifting plan" and "Innovation in instrumentation, control and safety in the industry"
- Two external courses on "Material Failure Analysis" and the "API SPEC Q2 Standard"
- From Tecpetrol University, we deployed the "Operational Planning and Management" program and gave six webinars on the following topics: Situation and Family, Strategic Management, Digital Skills, Performance Bases, Leadership, and the Export Cycle.







Health, safety and environment (HSE)

Committed to responsible practices

Caring for the environment, and protecting the health and physical safety of employees and third parties, have always been our priorities. In 2020, the global health crisis placed this commitment front and center, profoundly altering the way we relate to and work with each other.

The company's ability to adapt to these changes was dependent on a solid HSE management system underpinning all its activities throughout the entire business life cycle. The relevance of our HSE system lies in the fact that it has been designed to enable operations to set and achieve performance objectives by appropriately managing the risks and impacts associated with their activities, and foreseeing the implementation of the appropriate operational controls.

Over the years, this management system has been consolidated as the most effective way of quickly identifying and responding to critical situations. The arrival of the pandemic was an opportunity for the system to showcase its ability to adapt operational performance to novel conditions, following, once again, a process of continuous improvement, consisting of four instances:

- **Planning:** monitoring and benchmarking processes, goals and legal requirements. We respect and comply with all labor rights recognized by law and international regulations incorporated and applicable in each country where we operate.
- **Doing:** implementing processes and using the right tools. We define and monitor corporate management standards, Critical Operating Standards (COS), and operational procedures and practices.
- **Checking:** establishing which elements are necessary to achieve results. We require suppliers and contractors to comply with the most stringent HSE standards and procedures and evaluate them accordingly.
- **Acting:** taking decisions to improve the HSE management system.



The 12 elements of the HSE Management System

1 Commitment and leadership	2 Contractor management	3 Regulatory compliance	4 Environmental management
5 Safe working practices	6 Emergency response	7 Transport management	8 Risk and impact assessment
9 Change management	10 Occupational safety	11 Incidents and deviations	12 Behavior-based safety

Looking after people's health

Within the initial context of uncertainty, we identified the need to act quickly to limit exposure factors among our people. At the outset of the pandemic, we developed and deployed in record time a program entitled 15 Operational Practices for COVID-19 Prevention throughout our working areas (operations, maintenance, works, rigs, etc.) with the aim of mitigating the risks of contagion at each of our facilities. We also held our annual influenza vaccination campaign to vaccinate all employees.





Learn about the 15 Operational Practices for COVID-19 Prevention



1 New organization and labor scheme

Once critical face-to-face personnel had been identified, we established independent "work cells" where we grouped people together according to the tasks performed as well as their use of transport facilities and common areas. Each work cell is subdivided into three units: work, rest and backup, and everyone is required to follow all the COVID-19 preventive measures at all times.



2 Personnel transport

We drew up complementary guidelines governing routines when personnel were being transferred to work sites, and reduced vehicle capacity to 50% to ensure social distancing. At the same time, we added new series of requirements for vehicle cleaning, ventilation and disinfection before and after use.



6 Dining areas

We minimized the use of dining halls and reconditioned them to comply with social distancing requirements, implementing an eating shift schedule and new cleaning and ventilation protocols. At the same time, we encouraged people to use a "packed lunch" system and created the necessary conditions to make sure this worked.



7 Personal hygiene

We designed a series of personal hygiene measures for all employees, both own and contractor personnel, to follow and comply with in their daily work routines, ensuring sufficient stocks of cleaning and disinfection products, such as alcohol gel, at work sites.



11 Cleaning and ventilating work sites

We developed recommendations for the cleaning and natural or mechanical ventilation of offices, dormitories and common access areas, which focused on stepping up the frequency of cleaning, ventilation and disinfection routines, as well as plentiful supplies of personal protection elements (PPE). We also consulted with ventilation experts for their input and specific recommendations, including installing UVC lamps, ionizing devices and HEPA filters, among others.



12 Responding to a suspected case of COVID-19

We ensured the definition of "suspected case" was kept up-to-date according to WHO recommendations and implemented specific protocols to identify, isolate, and provide medical assistance in each operation. Medical personnel hired were duly monitored and we were able to guarantee the analysis of the epidemiological fence required to implement isolation measures.



3 Access to the work site

We established a set of preventive control measures prior to personnel entry, including signing a health declaration, planning staggered entry times to avoid crowd build-up and ensuring the records of people's COVID-19 prevention training were up-to-date.



4 Temperature checks

We carried out daily temperature and symptoms checks on 100% of those accessing operating facilities and offices.



5 Lockdown (preventive health isolation)

We drew up a list of criteria and conditions to ensure the correct preventive and health isolation of personnel who are close contacts of suspected or confirmed cases and those presenting COVID-19 compatible symptoms at facility access checkpoints. Close contacts and those with COVID-19 symptoms are placed in temporary isolation until a doctor defines whether or not the suspected case protocol should be activated.



8 Mental health and recreation

We implemented a psycho-social support network for employees (including those working from home) and adapted the selection of recreational activities at the camps to ensure they complied with prevention measures.



9 Communications

We drew up communications crisis management guidelines for pandemic-related matters and publicized these through internal campaigns and specific requirements governing external communication.



10 Accommodation

We distributed accommodation modules by "work cells", arranging individual accommodation during preventive isolation periods, and reducing maximum room capacity to two people (from the same cell) during operating shifts, as well as implementing a specific cleaning and cleaning protocol.



13 Stakeholders map

We have identified and prioritized key stakeholders in relation to the COVID-19 situation throughout our operational areas, ensuring adequate two-way communication taking into account the guidelines of Communications Operational Practices.



14 Business Continuity Plan

We formed a Local Business Continuity Committee in each operational area, and prepared a criticality matrix for each facility and work cell. Then, we identified local legal requirements, evaluated the different severity scenarios in each region and designed a response strategy for each one, including scarcity scenario analyzes for energy, supplies and other resources, for instance.



15 Back to the office

We planned a staged return to our administrative offices, excepting risk groups, during the first stage. In addition to complying with new prevention measures and reducing capacity, the back to the office plan involved making improvements in ventilation systems, installing sanitizing devices in areas of frequent contact, providing biosafety and respiratory protection kits for common areas, reducing capacity in elevators and banning the use of public transport.

This prevention strategy was dynamic and flexible, able to change in line with the recommendations issued by different national and international health organizations.

We set up a crisis committee headed up by the company CEO to hold weekly follow-up meetings with each area, organized by General Management, to guarantee full compliance with prevention measures.

We also launched an internal communications campaign to raise awareness among employees of the need to follow the preventive measures.



As a result of the application of these practices, there were no widespread contagion events within our facilities and we were able to guarantee the continuity of operations.

In addition, during 2020 we worked on:

- The standardization, review and update of the rules and procedures making up the HSE Management System.
- The development of a new IT platform to manage all HSE aspects.
- The systematization of work permit management on digital platforms and the process to migrate area emergency response plans to the new international Incident Command System methodology.
- Actions to continue improving the alignment of contractors working in operations in compliance with our HSE standards.
- A campaign launched to strengthen our safety culture among employees, a task managed by an international consultancy. The campaign was directed and monitored by the company's senior management.
- Forty-nine studies into process risk analysis at new facilities or locations where modifications are made.

- The implementation of different maintenance routines in our operations, deployed as follows:

Argentina

- At Fortin de Piedra, we carried out the scheduled maintenance stoppage at the Treatment Plant in the Los Bastos and Fortin de Piedra areas, and the seismic survey of 205 km² in the Los Toldos N1 area. There were no incidents during either initiative.
- At El Tordillo, we continued work to strengthen the role of the emergency brigade, which attended works and workover tasks in a preventive capacity as well as participating in the preparation and review of rescue, safety and environmental procedures.

Ecuador

- At the Libertador Block we continued with the implementation of the Integrated Safety, Health and Environment Management System based on ISO 45001 and ISO 14001 standards, with a view to certifying these standards in the first half of 2021.

Colombia

- At the Pendare Field, we resumed operational activities at the field, complying with protocols to prevent COVID-19 contagion. We completed 2020 without any recordable accidents.

Mexico

- In the Mision Block we consolidated the activities included in the Implementation Program of the Industrial Safety, Operational Safety and Environmental Protection Administration System (SASISOPA, in Spanish) issued by the Mexican Safety, Energy and Environment Agency (ASEA) as required by the external audit, which was successfully completed in July 2020.

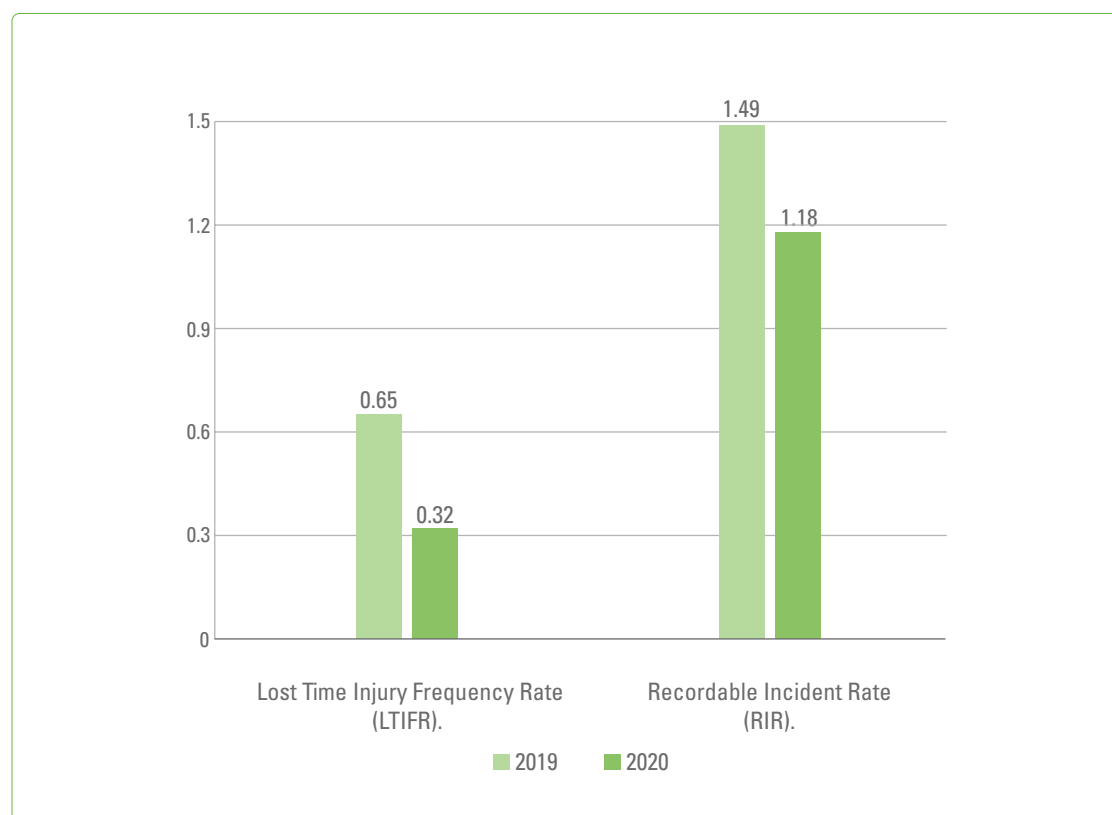


Safety at work

The safety of people and processes is a value that Tecpetrol holds dear, and the reason why company senior management prioritizes the objective of achieving zero accidents throughout our operations. The company follows internationally recognized safety criteria enshrined in the Occupational Health and Safety Assessment Series (OHSAS) and International Association of Oil & Gas Producers (IOGP) standards.

Accident rate

During 2020, there were no fatal or serious accidents: eleven events occurred but only three involved lost days. Accident frequency rates showed an improvement compared with the previous year.



Index	Lost Time Injury Frequency Rate (LTIFR) ¹			Recordable Incident Rate (RIR) ²		
	Own personnel	Contractors	Global	Own personnel	Contractors	Global
2019	0.29	0.75	0.65	0.88	1.67	1.49
2020	0	0.49	0.32	0	1.81	1.18

¹ LTIFR: number of lost-time injuries per million hours worked / Labor-hours worked.

² RIR: Recordable Incident Rate per million hours worked / Labor-hours worked.

As part of our safety management routines, we proactively carry out preventive observations of unsafe acts, meetings to analyze these observations, and inspections, which can be general, or geared towards safe work analysis, work permits or lockout and tagout routines (LOTO).

Actions	2019	2020
Preventive observations	14,941	8,602
Analysis meetings	8,048	7,229
Inspections	11,701	10,474

An analysis of the indicators based on the number of activities per person showed that in 2020, there was an improvement in meetings and inspections matched by a decrease in the record of preventive observations. It should be noted that this is also due to a 39% decrease in hours worked as a result of the pandemic.

Actions	2019	2020	% Difference
Preventive observations	2.33	1.85	(21%)
Analysis meetings	1.26	1.56	24%
Inspections	1.83	2.26	23%

(data based on 2,000 labor-hours per person per year)

Compliance with the company's annual safety objectives (both the accident rate and the proactive indicators) is on the list of objectives drawn up by each Tecpetrol employee as part of their annual evaluation process.

Training

Our interactive employee training program was run as an elearning course, and during 2020 we gave 12,163 hours of HSE-specific training on different topics such as risk management, safe work analysis (SWA), brigade training and more. We also included training courses about the COVID-19 prevention measures implemented during the period.



Environmental management

Our greatest challenge is to care for and preserve the ecosystem through the responsible management of natural resources, such as water, soil, air and biodiversity.

The company's environmental policy is deployed by the Corporate Health, Safety, and Environment Department based in Buenos Aires, Argentina, with an Environment division that reports to the Department head. The Department is responsible for issuing the corporate guidelines indicating the best environmental practices to manage resources and existing risks, as well as to respond to the legal and regulatory requirements in force in each country.

At operational level, environmental aspects are managed by a Health, Safety and Environment Operational Department (or division, depending on the scale of the operation), and its respective local Environmental division. This is staffed by environmental supervisors and specialized contractors including environmental consultants, waste transporters and handlers, for instance.

Our focus is on three essential aspects:



1. Continuous improvement

The company is constantly working to improve its solid waste management system, as well as maintain and update facilities, seeking to optimize energy efficiency, and control erosion by implementing revegetation plans, among others.

2. Preventive approach


Spill prevention work includes comprehensive programs to repair or replace old pipelines in addition to building containment storage tanks, for instance. We carry out detailed environmental studies prior to project execution and construction work, carefully analyzing the location to minimize environmental impact by sparing ecologically vulnerable areas and water courses, and avoiding excessive clearing activities and earthworks.

3. Responsible use of chemicals

A special system was designed and built to handle and store chemicals used in the company's onsite processes. It includes the design and construction of a dedicated storage location fully compliant with all environmental and safety regulations.







Environmental performance

08

Sustainable management of resources

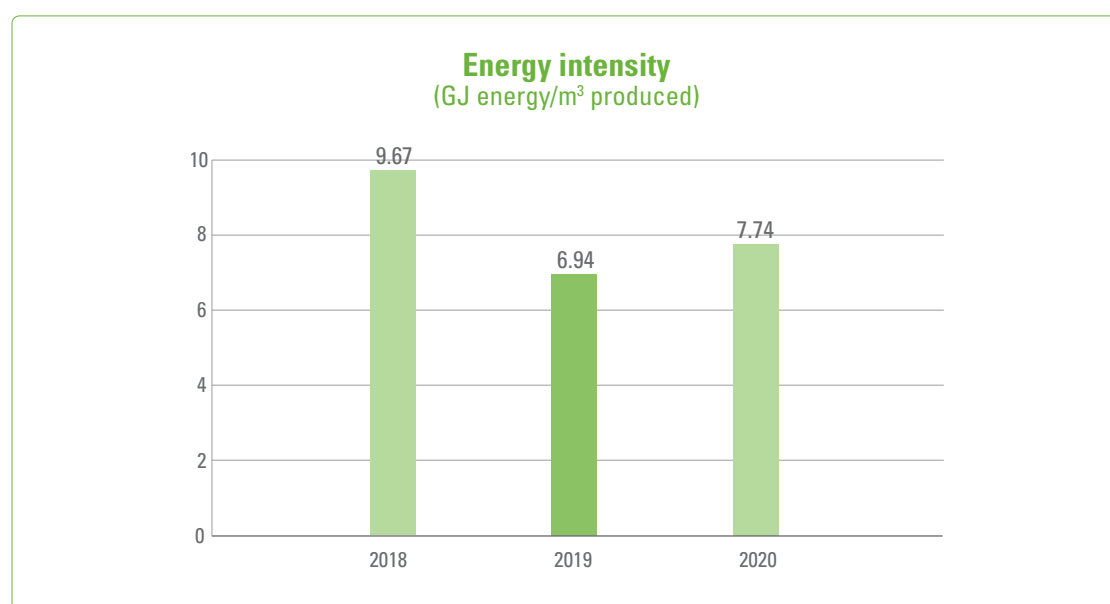
The company carries out an annual evaluation of its environmental performance at its operations, benchmarking its actions in the areas of energy and water consumption, emissions, waste treatment and biodiversity conservation.

Energy consumption

At our operations, we use two power sources: own electricity generation using gas turbines and other equipment, and electricity acquired from third parties.

In 2020, we recorded electricity consumption levels of 648,298 GJ (3.5% less than 2019), mostly generated by natural gas, and diesel in smaller amounts. Total energy consumption at our operations in 2020 was 64,806,864 GJ, 0.9% more than in 2019.

The intensity of energy use per unit produced (m^3 of oil equivalent) increased slightly as a result of the relative decline in total energy production:



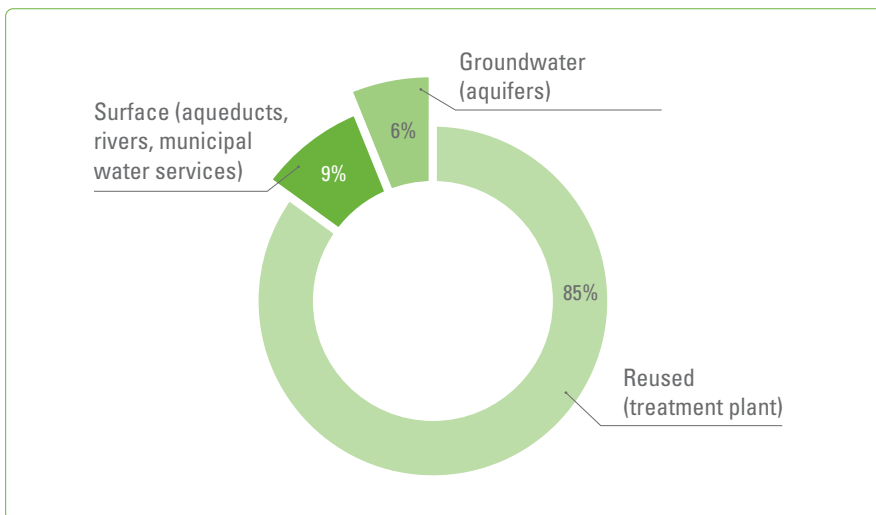
The greatest intensity is reflected in the company's electricity production operations. In 2019, the process of transforming energy from natural gas to electricity consumed 75.85 GJ/ m^3 of oil equivalent, and in 2020 this fell slightly to 74.95 GJ/ m^3 oil equivalent.

On the other hand, natural gas and oil production activities in 2019 required 1.11⁵ GJ per m^3 produced, and 1.18 GJ/ m^3 eq. in 2020. It should be noted that significantly less energy consumption is reported at unconventional operations than at conventional ones: 0.58 GJ/ m^3 eq. versus 2.04 GJ/ m^3 eq. (2020).

⁵ This indicator was reevaluated due to a revision of conversions and equivalences (1.07 GJ/ m^3 eq. in 2019).

Water management

As water is one of the main natural resources used in our different productive and non-productive processes, our aim is to optimize consumption and progressively increase reuse. We routinely carry out diagnoses of the different sources used, as follows:

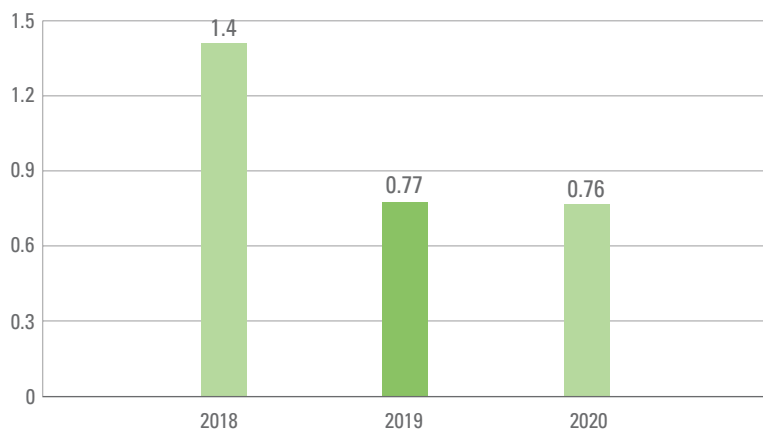


Each of the supply points we use has been authorized by the competent local bodies. In situations of intensive water use, as is the case with unconventional developments, we perform detailed studies of water sources and analyze availability to ensure there is no interference with their use, whether current or potential, and to safeguard their sustainability.



Water consumption

Specific use per unit produced
(m³ / m³ oil prod. eq.)



Item	2018	2019	2020
Water extraction (m ³)	9,283,781	7,148,375	6,383,064

2020 Milestones

Reduction in the intensity of water consumption:

70 %

in unconventional operations
due to reduced use.

15 %

in conventional
production.

85 %

of the water consumed
is reused greywater.

Produced water reinjection

Treatment processes are used to restore production wastewater by repurposing it in two ways: either for secondary recovery, where it is reinjected as part of the process to extract hydrocarbons, or for storage, where it is sent to artificial sinkholes to be stored in deep sterile strata, thus avoiding groundwater contamination.

In unconventional operations, the return of water and injected fluids to the surface when pressure is released after hydraulic fracturing is called flowback and managed in a similar way to production water.

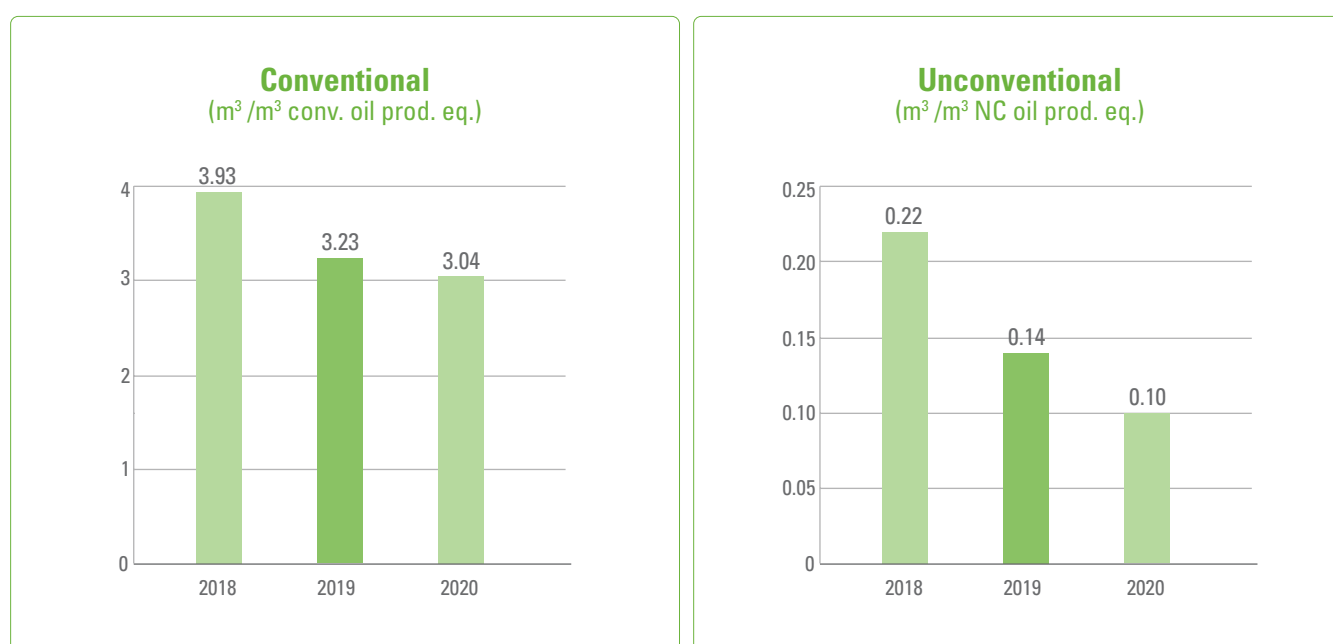
Flowback and production water:

Item	2018	2019	2020
Net production (m ³)	11,963,222	11,255,136	9,925,522

2018 and 2019 indicators were reevaluated due to a review of conversions and equivalences (12,267,804 m³ and 11,173,894 m³ respectively).

The fall in the volume of production wastewater in 2020 reflects the drop in oil and gas production.

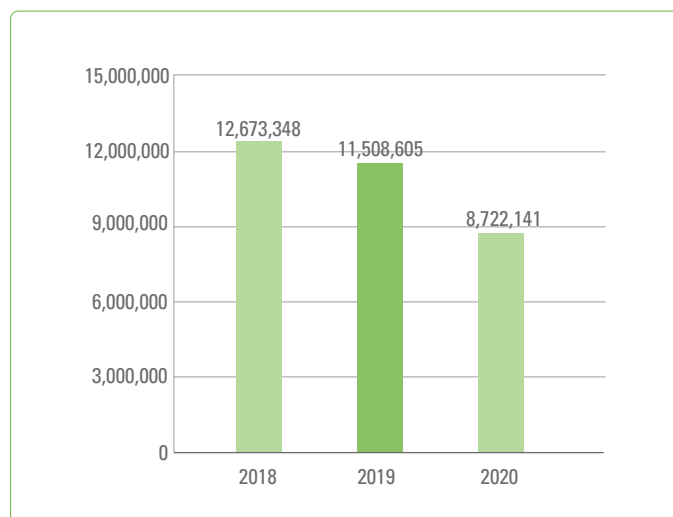
Specific generation of produced water per unit produced



Note: m³ eq. prod. does not include Pesqueria.

2018 and 2019 indicators were reevaluated due to a review of conversions and equivalences (4.03 m³/m³ conv. oil prod. eq. and 2.70 m³/m³ conv. oil prod. eq., respectively).

Reinjected flowback and produced water



Note:

2018 and 2019 indicators were reevaluated due to a review of conversions and equivalences (12,673,348 m³ and 11,508,605 m³ respectively).

As in previous periods, in 2020, most injection activity took place in conventional operations (95%), and was over 80% at just two operations: El Tordillo and Libertador. These values include the injection of fresh water for secondary recovery undertaken in Agua Salada, as well as flowback water produced by unconventional wells in the Neuquen basin, both in Argentina.

Biodiversity

We are committed to nature conservation and biodiversity and take action to prevent, mitigate and correct undesirable impacts. Environmental impact studies and monitoring are carried out at all our concessions, whether these are prior to locating new facilities, or in order to manage environmental concerns during operations. We have undertaken several progressive recovery actions for the environment, namely:

- In Mexico, we rewilded a number of species in areas where there were plans to build new facilities, and carried out a compensation program for used areas involving reforestation projects and seedling nurseries.
- In Colombia, we carried out major reforestation work to replant 220,000 native tree species over an area of approximately 200 hectares, a territory that we continue to monitor and maintain.
- In Argentina, we are working on an assisted habitat revegetation program in the Neuquen and Golfo San Jorge basins. Given the terrain's climatic and natural features, actions focus on tilling the soil and producing seedlings in plant nurseries to assist with revegetation in order to replace and enhance the topsoil in the areas affected by our activities.



“ Thanks to these initiatives, since 2018, 3,681,378 m² of surface land has been reworked for restitution, and some 70,000 species planted (except for Colombia). In 2020, given the prevailing restrictions, our intervention focused restoring a surface area of 7,000 m² and rescuing than 900 individual plants for new works.”

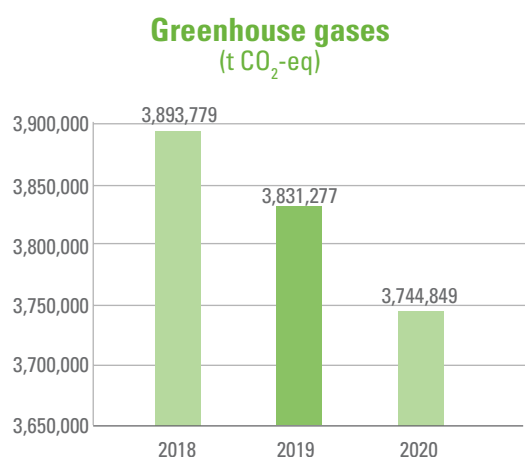
Stephen Wharton,
Head of Environment at Tecpetrol.

Our facilities take up barely 1 % of the lands we manage under concession and are far from protected areas (with the exception of Libertador, near the State Forestry Heritage, Unidad 1 Cabecera Cuyabeno, and Aguarague, near the Laguna Pintascayo Provincial Park). In none of these cases do we carry out any kind of hydrocarbon activity within the areas designated to protect natural resources.

Emissions records

We record the emissions produced by the main processes taking place in each of our operated areas, and periodically monitor their evolution.

One of the main sources of greenhouse gas (GHG) emissions in the E&P sector is the practice of venting, which releases gas into the atmosphere.⁶ This practice is carried out for operational reasons associated with specific processes, such as well tests, purges and maintenance tasks, among others. The other source of GHG is fuel combustion, mainly natural gas, and in lower proportions, diesel and naphtha, used in several different industrial processes.



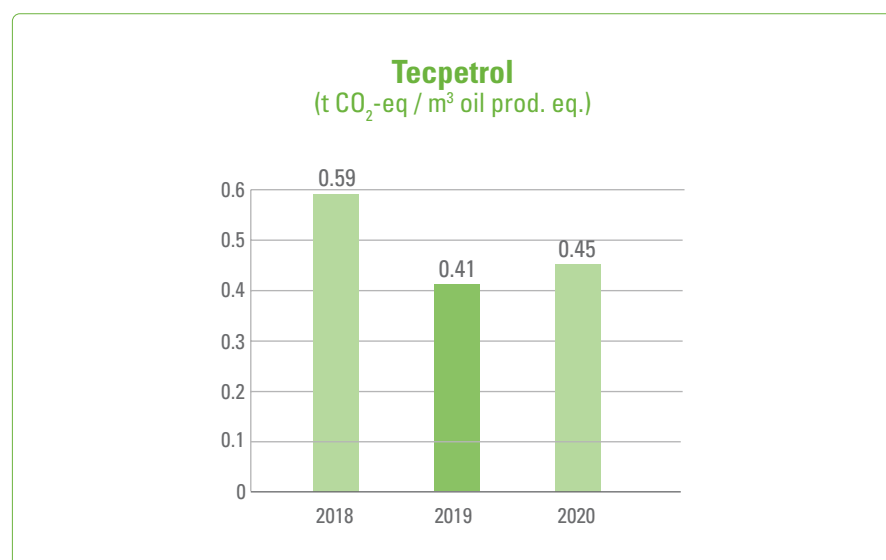
Note: does not include other GHGs such as SO_x, NO_x, or non-methane hydrocarbons.

(*) 2018 and 2019 indicators were reevaluated due to a review of conversions and equivalences (4,097,214 t CO₂-eq (5% deviation) and 4,065,970 t CO₂-eq (6% deviation) respectively).

⁶ As gas is burned off before being vented, it generates CO₂ instead of CH₄ (methane).



It should be noted that estimates differ between operations, based on the calculations used. In this case, for our Mexican operations, we used facilities and operations emissions factors, while for our other concessions, the calculations were based on the balance between natural gas consumption and venting. However, when applying the same methodology, the intensity of CO₂ emissions recorded per unit produced was as follows:



Item	2018	2019	2020
Tecpetrol	0.59 (*)	0.41 (*)	0.45
Electricity	4.23	4.27	4.20
Conventional	0.19	0.15	0.14
Unconventional	0.08	0.05	0.04

Note: The measurement unit is t CO₂-eq / m³ oil prod. eq.

(*) 2018 and 2019 indicators were reevaluated due to a review of conversions and equivalences (0.62 t CO₂-eq / m³ oil prod. eq. and 0.42 t CO₂-eq / m³ oil prod. eq. respectively).

Even though emissions fell by 2.3% in 2020, the intensity factor for all Tecpetrol increased as total hydrocarbons production fell by 10% in the same period compared with 2019. However, the results highlight that unconventional operations have a lower GHG emission footprint than conventional production, measured per produced unit.

Waste treatment

Our waste management policy is based on the classification of waste into two categories: conditioned or special waste, associated with E&P operational processes, and municipal solid waste (MSW), generally related to offices and eating facilities.

However, the upstream hydrocarbons industry has the particularity of creating a volume of residue from its drilling activities, such as rock cuttings, which although not actually waste, must nonetheless be managed appropriately. As long as they do not present any risks for people's health or the environment, being mostly crushed rocks and water-based clays, they can be used to fill and recover areas of impact in quarries. The same treatment is reserved for so-called oil-based cuttings after a heat-based process to guarantee their inert conditions prior to disposal.

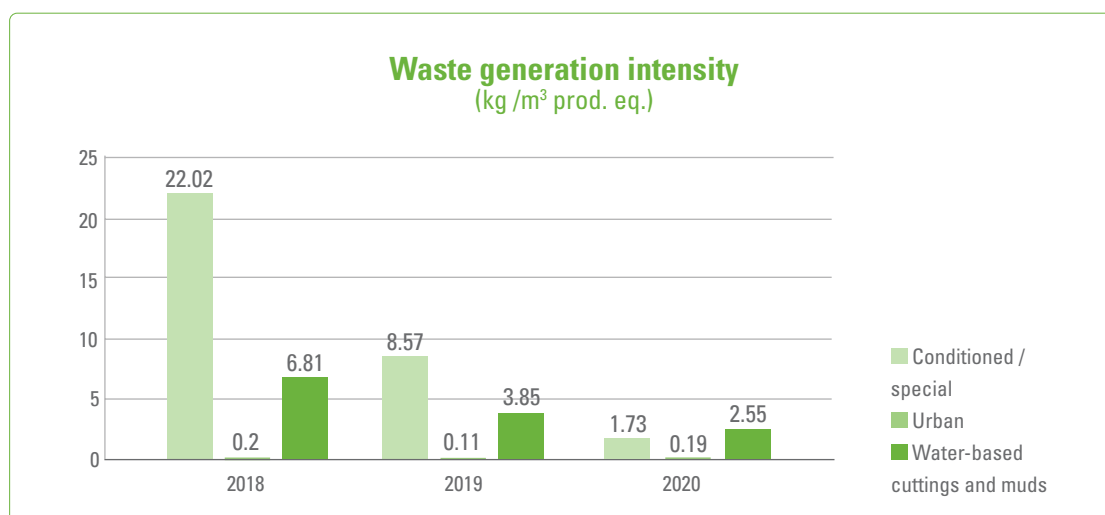
General waste

Concept	2018	2019	2020
Conditioned / special (in tons)	146,504	79,331	17,540 (*)
Urban (in tons)	1,333	984	1,559
Water-based cuttings and muds (in tons)	45,323	35,659	21,376

(*) The differences shown in the amount of waste generated are largely due to lower drilling and well hydraulic injection activities.

The largest amount of conditioned waste in 2020 is from tank-bottom management, oil-based drilling cuttings and fracture water produced by flowback from unconventional wells, which was sent to specialized companies for treatment and final disposal.

Based on the decrease in activity, the following generation intensity per unit produced was recorded in 2020:



There was a significant increase in urban waste generation, related to the application of preventive measures for COVID-19.

Treatment and final disposal

Waste is separated and stored in situ in spaces designated for this purpose, and subsequently transferred to ex situ treatment plants which process the waste in different ways:

- Thermal: incineration and thermal desorption
- Biological: bioremediation and composting
- Chemicals: chemical oxidation
- Recycling

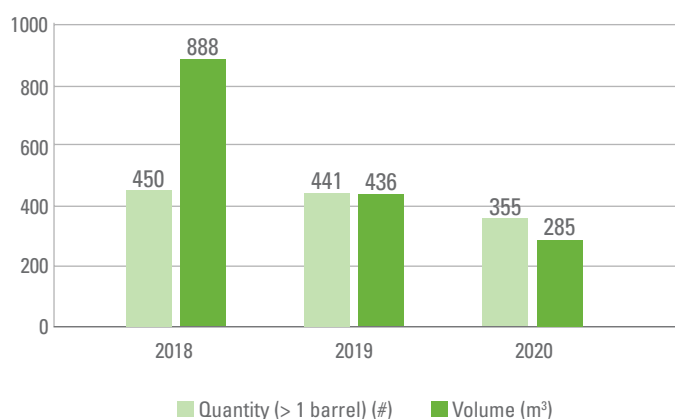
Final disposal depends on the type of product resulting from the treatment. The main destinations are disposal in authorized municipal landfill, filling quarries and other similar areas and recovery for multistream recycling (e.g., recyclable plastics, cardboard and metals, uncontaminated wood for donations, etc.). During 2020, COVID-19 restrictions obliged us to decommission equipment previously assigned to waste treatment tasks, which impacted our ability to recycle:

Concept	2018	2019	2020
Recycling (in tons)	64	140	43



Spill control

We implement different prevention and corrective mechanisms to early detect potential environmental accidents. We perform safety, maintenance and inspection work on a continuous basis, as well as monitoring the possible causes of oil spills, such as equipment failures, material defects, dumping chemicals and liquid fuels (e.g., diesel), drilling muds and cuttings, among other factors. During 2020, we registered a further reduction in the number of events:

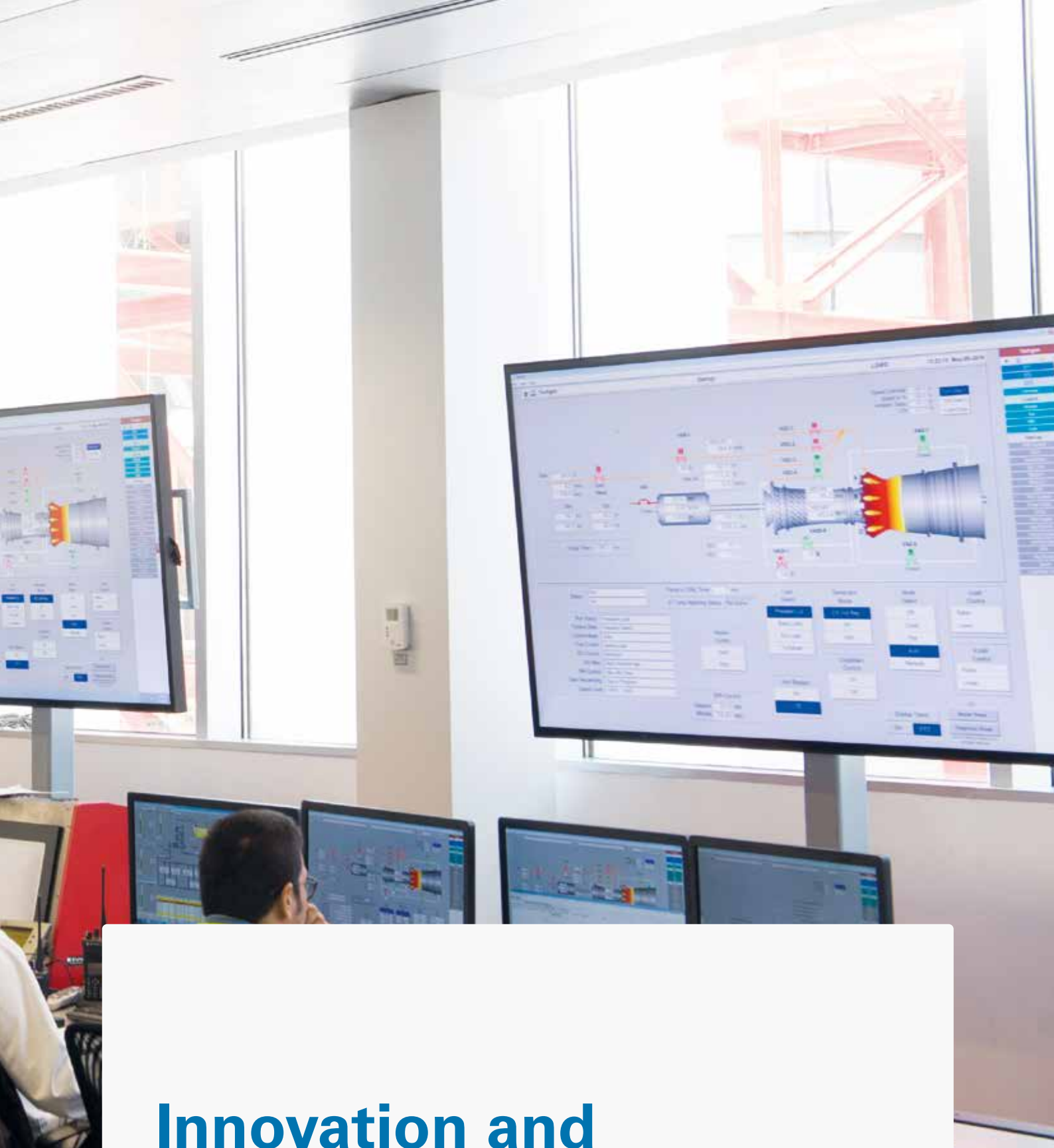


Over 80% of these were spills from produced water, averaging 1.25 m³ per event during 2020.

In all cases, we internally report on each incident to ensure a prompt and thorough intervention. A manual cleaning operation is launched to preserve local vegetation and transfer any waste to each facility's treatment site where biological methods are applied to accelerate natural biodegradation processes and ensure no environmental damage is left behind, or chemicals added. In all cases, we notify the relevant enforcement authorities in each jurisdiction.⁷

⁷ The calculations and estimates of these items encompass our hydrocarbon production processes at global level. They include steps such as the combustion and treatment of the hydrocarbons produced, emissions due to contingencies and plant shutdowns. The following are assumed in several cases: uniform values of oil density, uniform equivalence of between 1,000 m³ of gas and 1 t of oil equivalent, uniform calorific values (e.g., 1 m³ of oil contains 38 GJ of energy), among other conversions and equivalences that are subject to revision.





Innovation and technology

Continuous improvement initiatives

Investing in technology and continuous improvement are the pillars supporting our sustained growth, allowing us to improve our economic performance. We use the most efficient technologies in exploration, reservoir study, drilling and production, to increase productivity levels in operated areas, controlling operating costs and minimizing the environmental impact of our operations. Using cutting-edge SCADA (Supervisory Control and Data Acquisition), communications technology and IT systems, we are able to continuously improve our processes, increasing the reliability of our transportation services with a commensurate reduction in costs and in environmental impact.

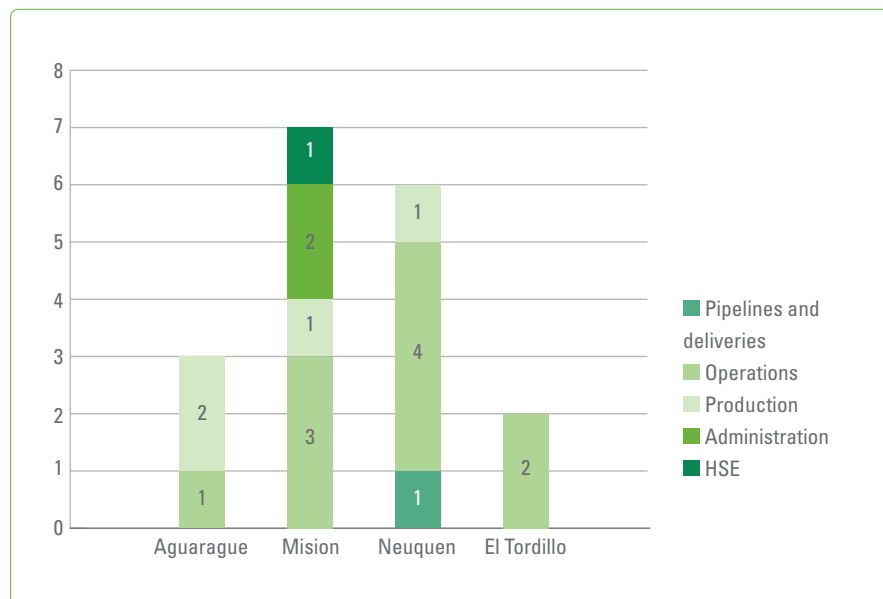
Process optimization

Among its many other goals, the Global Operations Department is committed to improving process efficiency. The Process Optimization Department (POD) was set up to pursue this objective by investing efforts in standardizing working methodologies, optimizing production processes and implementing best industry practices.

Although the pandemic context pushed back the implementation of some of the company's investments in equipment, we were able to evaluate eighteen projects in this area in Argentina, Mexico and Bolivia in 2020. These initiatives were implemented either by our Continuous Improvement Groups, which are multidisciplinary teams working on a specific opportunity for improvement (generally one with a significant impact or with implications for several different processes) or by small groups from the same discipline that have identified an area needing improvement with a limited impact on processes.



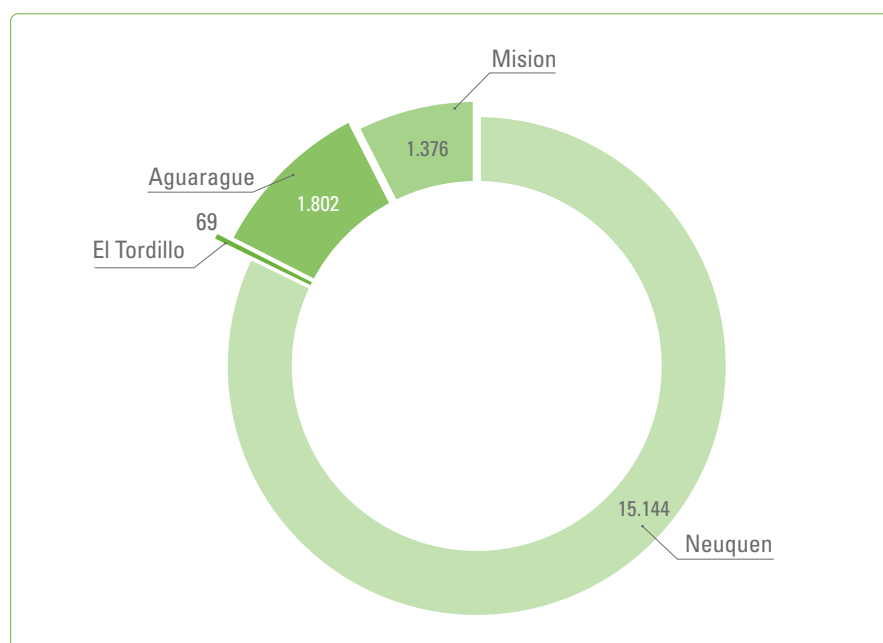
Number of projects by area and type of improvement



The projects undertaken are related to field operations, particularly production processes (improvements in costs or productivity), well construction (improvements in timing and use of materials and services) and administrative procedures, among others.

Total improvements worth over USD 18.4 million

Effective improvements in 2020 (in USD million)







Community relations

Using our energy to protect communities

The vision of our Community Relations area reflects the industrial values upheld by the Techint Group companies for over seventy years. Our mission is to ensure the sustainability of our activity by promoting the well-being of the communities where we operate, contributing to the growth and development of their members through education and culture programs, and specific actions to protect their health.

Confronted with the impact of the pandemic and its effects on all sectors of society, we ramped up our support to all the communities where we are present. Faced by a global crisis with far reaching implications for healthcare, education, social processes and the economy, our remit was to help the hospitals in our communities respond to the COVID-19 pandemic, providing support to institutions and health professionals.

We launched a USD 16.2 million fund with resources contributed by the Techint Group companies and the Fundación Hermanos Agustín y Enrique Rocca, to shore up the healthcare infrastructure in the communities where we operate in Argentina, Mexico, Brazil, Peru, Ecuador and Chile, among others.

Global action plan

As a first step, we carried out a diagnosis of the health system in each community, considering the age range of the population, the number of hospitals and the availability of intensive care unit (ICU) beds, ventilators and other equipment. Then, we designed a reinforcement plan in coordination with the directors of the hospitals in our communities.

We worked together with our sister companies in the Techint Group to take advantage of the global purchasing capabilities of its procurement arm Exiros, and source material for eighty-one hospitals in our communities, providing: 218 ventilators, 7,823 pieces



of hospital equipment and 1,140,050 personal protection elements (PPE) for medical personnel. To ensure the correct global execution of the plan, daily follow-up was carried out to check that all the items planned reached the corresponding hospitals.

Two online meetings were held where doctors from Humanitas, the Techint Group Hospital Network in Italy, shared know-how, best practices and case studies with over 200 doctors from our communities in Argentina, Brazil, Mexico, Colombia, Uruguay, Guatemala and Ecuador. We also created a virtual campus to allow the general public access to Humanitas's extensive material on COVID-19 management and practices.⁸

Response to COVID-19 in Tecpetrol

We shouldered the commitment of partnering with our communities to help them respond to COVID-19 from day one. We worked alongside them as a team to implement plans to support hospital ICUs and intermediate care units in the areas where we operate. We donated biosafety items, ventilators and medical equipment to the regional healthcare systems, ratifying our support to all those working on the frontline to combat the pandemic.

In 2020, we delivered 12 ventilators, 310 pieces of hospital equipment and 235,545 biosafety items to 24 hospitals throughout Latin America.



⁸ <https://www.aprenderdecoronavirus.com/>

Argentina

Neuquen



103,900
biosafety items



7
hospitals

Anelo, Catriel, the city of Neuquen, Plaza Huincul, Rincon de los Sauces and Senillosa as well as the Ministry of Health of the province of Neuquen.



5
ventilators



41
pieces of hospital
equipment



700
basic food and hygiene
parcels

Castro Rendon Hospital in the city of Neuquen.

Neuquen, Anelo, Sauzal Bonito and Rincon de los Sauces, working with the Neuquen Food Bank.



Comodoro Rivadavia



53,290
biosafety items



4
hospitals and
health
centers

Comodoro and Rada Tilly.

Aguarague



11,965
biosafety items



269
pieces of hospital
equipment

for 4 hospitals in the towns of General Mosconi, Tartagal, Aguaray and Salvador Mazza.



2 ventilators for the
Regional Hospital.



1 ventilator for the Juan Domingo Peron Hospital in Tartagal.



30,000
doses of
paracetamol were
also delivered to
treat Dengue fever
in the area.



Ecuador



5,295

biosafety items

for health centers in
Pacayacu and Dureno.



Mexico



48,800

biosafety items

for the Reynosa General
Hospital, the Maternity Hospital
and the Mobile hospital run
by Médecins Sans Frontières/
Doctors Without Borders (MSF).



2 ventilators for the Reynosa
Specialty Hospital 270.

Colombia



12,295

biosafety items



2
ventilators

for the Hospitals in Puerto Gaitan and
Villavicencio, and 2 community health
centers in Puerto Triunfo and Cuernavaca.



Corporate social investment initiatives

The pandemic situation did not prevent us from continuing with our social investment programs which pursue the vision of working towards sustainable development in the community. Under the motto "**helping those who help themselves**", we seek to create spaces for meaningful dialogue and collaboration with the State, non-governmental organizations and other institutions. We work along three lines of activity in all the countries: education, art and culture, and community development.

In 2020 we invested USD 1,721,382 in education, health and cultural activities, reaching 52,000 people throughout Latin America

Education



Technical Gene

The initiative seeks to strengthen Industry 4.0 skills in secondary level technical schools. We train teachers and students as a way of bridging the gap between industry requirements and the technical knowledge learned by students, and provide support to upgrade school infrastructure and equipment.

We allocated 8,018 hours of technical training to 145 students and 206 teachers from 5 communities in Argentina.

In Neuquen, we are working with the company Festo⁹ and the provincial Ministry of Education to provide online training for 60 teachers from 27 technical schools and 3 agricultural schools in Industry 4.0 skills, enabling them to teach these skills to 5,000 students.

We designed online training courses in Automation and Programmable Logic Controller (PLC) to 23 students at the Escuela Provincial de Educación Técnica (EPET) 3. We provided a series of workshops in socio-emotional education for 120 teachers and non-teaching staff to support them in the post-pandemic return to school at the EPET 16 in Rincon de los Sauces. We also held a series of workshops as part of the local Puente program to strengthen job skills for 16 young high school leavers who are not currently working or studying.

In Aguarague (Salta province) and Comodoro Rivadavia (Chubut province) we gave an introductory robotics workshop for 13 teachers from 8 technical schools; an online

⁹ Festo is a German multinational and worldwide leader in automation, and its training arm Festo Didactic is a world market leader in technical training and development.

soft skills workshop for 26 teachers; and technical knowledge tests for 145 final-year students from 6 technical schools in both provinces.

Roberto Rocca Scholarships

We have been recognizing the efforts and academic excellence of high school students since 1976 with a program of scholarships to reward performance and commitment. Initially intended for the children of company employees, in 2006 the program was expanded to welcome all students in the community, and is currently present in 34 communities around the world. In 2020, we awarded 528 scholarships in 4 communities in Argentina and Mexico.

Our Roberto Rocca educational program awards scholarships to young people at secondary, university and PhD levels for excellence and academic commitment in the fields of science and technology. In 2020 we awarded 525 high school and university scholarships at an online ceremony. The event was attended by Paolo Rocca, young entrepreneur Mateo Salvatto (the creator of '*¡Háblalo!*', an app that helps the deaf), Valentina Avetta (former fellow of the program) and Diego Golombek (Executive Director of the National Institute of Technological Education (INET) of the Ministry of Education).




This photo was taken prior to the COVID-19 pandemic.


AfterSchool Program

AfterSchool is a non-formal education program focused on STEM subjects (science, technology, engineering, mathematics) for children aged 6-12 attending state schools in communities of interest or near our operations. The objective is to help them develop basic literacy and socio-emotional skills, applying the project-based learning methodology (PBL) in STEM subjects. We have created strategic alliances with the Innovec and Pequeños Científicos programs as a way of ensuring the standard of the education provided, as they provide us with STEM curricula and professional development for educators. During 2020, AfterSchool activities benefited 1,250 children: 1,200 in Argentina and 50 in Colombia.

Art and culture

Together with the other Techint Group companies, we support the Fundación PROA, a space in Buenos Aires dedicated to disseminating the great artistic movements of the 20th and 21st centuries through its exhibitions, workshops, seminars and festivals. At Tecpetrol we support the dissemination of the different realities of our contemporary world, helping to recover identity in the communities where we are present, promoting diversity and respect for all cultures. In 2020 we supported the following initiatives:

 **Three international exhibitions:** three international shows: Anish Kapoor (“Surge”), Dan Graham (“Whirligig”), held in online form, and “Creating Worlds”, which was opened to the public for in-person visits in November 2020. The exhibition featured works by over 50 female artists who have taken part in the shows held throughout the foundation’s 24-year history. The online cycles and in-person shows attracted 50,000 visitors and participants.

 **Photo libraries:** an image digitization project showcasing the history of our communities through photographic exhibitions. In 2020 we held 6 virtual photography meetings attended by 1,543 people.

Community development

We provide the community with infrastructure and concrete tools to meet the main needs of its members, in coordination with the municipalities. Through the “Project Advisory Council” program we promote community development in line with a participatory and representative model. Community members identify and prioritize the most relevant projects in committees which meet to discuss specific issues, involving local producers and artisans, indigenous communities, educators, NGOs, special education teachers and health professionals.



Then, the Community Relations area manages and evaluates the projects approved, together with the committees responsible for putting together each initiative.

In 2020 we invested USD 337,352 in community projects in Argentina, Ecuador, Colombia and Mexico.

Our work with our communities

Beyond our COVID-19 response plan and the continuity we gave to our social investment programs, we developed a set of social management initiatives covering donations, contributions, sponsorships and training designed to bring us closer to the communities where we operate.

In Argentina we continue to accompany the following civil society organizations:

- ASDRA (association of families of people with Down syndrome): support program for special education schools and annual solidarity dinner.
- Lebotek: photo libraries (Comodoro Rivadavia and Salta) and maintenance of playrooms.
- Fundación Leer: sponsorship of the "2020 National Reading Marathon" to celebrate, promote and encourage reading. This year, the reading marathon shifted online and was carried out on a specially designed platform with free access, reaching far greater numbers of participants throughout the country.
- Fundación Equidad: Agreement to donate disused computer equipment which is subsequently recycled and delivered to schools and other institutions.



In Ecuador we held the following training courses and made donations:

- Educational equipment (laptop, printers and office supplies) delivered to 87 beneficiaries at schools in the communities of Pacayacu and Dureno.
- Medical technical assistance to 47 patients with disabilities.
- Equipment and furniture donated to a bakery business set up for 19 female heads of household.
- Virtual training courses on "Learning from the Coronavirus" and a "Colloquium on COVID-19" for health workers, as well as a talk on "Social challenges in pandemic times" for 42 social leaders.

In Mexico we carried out two direct actions:

- A plastic bucket recycling campaign for Iluminando Corazones a Niños con Cáncer, a faith-based NGO that helps families with children living with cancer and disabilities and has benefited 220 people.
- Donation of three fast isolation capsules for the transfer of suspected or confirmed biohazardous patients with a removable, comfortable and safe filtration system, for the National Defense Ministry.

In Puerto Gaitan, Colombia, we provided support to the local community by:

- Contributing to financing the "Training Tower Team" which provides training for safe work at height and in confined spaces organized by the National Learning Service (SENA) in Puerto Gaitan.



The program offered by the Tower Team means that local inhabitants and workers can apply for certifications in Safe Work in Heights and Confined Spaces free of charge, and be trained in safe conditions with institutional support.

- Donating 14 laptops to the local education authorities to make up the inventory of the Rubiales Educational Institution (based in Puerto Triunfo) for school-aged children in the Cuernavaca Settlement, reaching 90% of schoolchildren.



Our investment in the community

USD 1,462,764 Argentina	USD 27,807 Ecuador	USD 279,838 Colombia	USD 288,325 Mexico
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In total, we allocated **USD 2,058,734**, an increase of over **90%** in the resources earmarked for social investment compared with 2019.





GRI / SDG indicators

GRI / SDG indicators

Contents	Page / Answer	Omission	SDG
GENERAL DISCLOSURES			
Profile of the organization			
102-1 Name of the organization	Tecpetrol Investment S.L.U.		
102-2 Activities, brands, products and services	10-17		
102-3 Location of headquarters	Madrid, Spain.		
102-4 Location of operations	12 to 17		
102-5 Ownership and legal form	"Tecpetrol, and its directly and indirectly controlled companies" Legal structure: Limited Liability Company.		
102-6 Markets served	8		
102-7 Scale of the organization	8, 39, 42		
102-8 Information on employees and other workers	42-44		
102-9 Supply chain	8		
102-10 Significant changes to the organization and its supply chain		During 2020 there were no significant changes either to Tecpetrol's shareholding structure or to its supply chain.	
102-11 Precautionary Principle or Approach	68, 76, 77		
102-12 External initiatives	27		
102-13 Membership of associations	25		
STRATEGY			
102-14 Statement from senior decision-makers	4-5		
ETHICS AND INTEGRITY			
102-16 Values, principles, standards and norms of behavior	8, 30, 31, 32		
102-17 Mechanisms for advice and concerns about ethics	32-35		SDG 16
GOVERNANCE			
102-18 Governance structure	35		

Contents	Page / Answer	Omission	SDG
102-22 Composition of the highest governing body and its committees	35		SDG 16
102-23 Chair of the highest governance body	Carlos Arturo Ormachea		
102-32 Role of the highest governance body in sustainability reporting		The highest governing body undertakes the final review and validation of the Sustainability Report.	
Stakeholder engagement			
102-40 List of stakeholder groups	25		
102-41 Collective bargaining agreements	25		
102-42 Identification and selection of stakeholders	25		
102-43 Approach to stakeholder engagement	25, 26		SDG 8 / SDG 17
102-44 Key issues and concerns raised	26		
Reporting practices			
102-45 Entities included in the consolidated financial statements	Note 1 (Page 114)		
102-46 Defining report content and topic boundaries	24		
102-47 List of material topics	26		
102-48 Restatements of information	8, 63, 80, 83, 85, 86, 87		
102-49 Changes in reporting		There were no significant changes in the list of material topics and their coverage.	
102-50 Reporting period	Jan-Dec 2020		
102-51 Date of most recent report	2019		
102-52 Reporting cycle	Annual		
102-53 Contact point for questions regarding the report	116		
102-54 Declaration of preparation of the report in accordance with GRI standards	Core		
102-55 GRI Content Index	107		
102-56 External assurance	No external verification was carried out for the 2020 period.		

Contents	Page / Answer	Omission	SDG
MATERIAL ISSUES			
Economic performance			
103-1 Explanation of the material topic and its boundary	38		
103-2 Management approach and its components	38		
103-3 Evaluation of management approach	38		
201-1 Direct economic value generated and distributed	39		SDG 8 / SDG 9
201-4 Financial assistance received from government	Tecpetrol did not receive any type of financial contribution from the government.		
Market presence			
103-1 Explanation of the material topic and its coverage	42		
103-2 Management approach and its components	42		
103-3 Evaluation of management approach	42-44		
202-2 Proportion of senior management hired from the local community	Note 2 (Page 114)		
Indirect economic impacts			
103-1 Explanation of the material topic and its coverage	42, 64, 92, 96, 100		
103-2 Management approach and its components	42, 64, 92, 96, 100		
103-3 Evaluation of management approach	20, 21, 65, 93		
203-1 Infrastructure investments and services supported	72, 73, 92, 93		SDG 8 / SDG 9
203-2 Significant indirect economic impacts	20, 21, 64, 65, 92, 93, 105		SDG 8 / SDG 9
Procurement practices			
103-1 Explanation of the material topic and its coverage	60-62		
103-2 Management approach and its components	60-62		
103-3 Evaluation of management approach	60-62		
204-1 Proportion of spending on local suppliers	61		SDG 8

Contents	Page / Answer	Omission	SDG
Anti-corruption			
103-1 Explanation of the material topic and its coverage	30-32		
103-2 Management approach and its components	30-32		
103-3 Evaluation of management approach	30-32		
205-2 Communication and training about anti-corruption policies and procedures	33		SDG 16
Energy			
103-1 Explanation of the material topic and its coverage	76, 77		
103-2 Management approach and its components	76, 77		
103-3 Evaluation of management approach	76, 77		
302-1 Energy consumption within the organization	80		SDG 7
302-3 Energy intensity	80		SDG 7
Water			
103-1 Explanation of the material topic and its coverage	76, 77		
103-2 Management approach and its components	76, 77		
103-3 Evaluation of management approach	76, 77		SDG 6 / SDG 15
303-3 Water extraction	81		SDG 6 / SDG 15
303-5 Water consumption	82, 83		SDG 6 / SDG 15
OG5 Volume of formation water generated and disposed of.	83		SDG 6 / SDG 15
Biodiversity			
103-1 Explanation of the material topic and its coverage	76, 77		
103-2 Management approach and its components	76, 77		
103-3 Evaluation of management approach	76, 77		
304-2 Significant impacts of activities, products and services on biodiversity	84		SDG 15

Contents	Page / Answer	Omission	SDG
304-3 Habitats protected or restored	85		ODS 15
OG4 Number and percentage of operations where risks to biodiversity have been evaluated and monitored.		The impacts on biodiversity were evaluated throughout Operations.	SDG 15
Emissions			
103-1 Explanation of the material topic and its coverage	76, 77		
103-2 Management approach and its components	76, 77		
103-3 Evaluation of management approach	85		
305-1 Direct GHG emissions (Scope 1)	85		SDG 13
305-4 GHG emissions intensity	86		SDG 13
Effluents and waste			
103-1 Explanation of the material topic and its coverage	76,77		
103-2 Management approach and its components	76,77		
103-3 Evaluation of management approach	87		
306-3 Waste generated	87		SDG 12 / SDG 15
306-5 Waste directed to disposal	88		SDG 12 / SDG 15
Supplier environmental assessment			
103-1 Explanation of the material topic and its coverage	60-62		
103-2 Management approach and its components	60-62		
103-3 Evaluation of management approach	63		
308-1 New suppliers that were screened using environmental criteria	63		SDG 12
Employment			
103-1 Explanation of the material topic and its coverage	45-47		
103-2 Management approach and its components	45-47		
103-3 Evaluation of management approach	45-47		

Contents	Page / Answer	Omission	SDG
401-1 New employee hires and staff turnover	56 and Note 3 (Page 114)		SDG 3 / SDG 8
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	52, 53		SDG 3 / SDG 8
401-3 Parental leave	100% of employees returned to work after completing their leave.		SDG 3 / SDG 8
Occupational health and safety			
103-1 Explanation of the material topic and its coverage	68-71		
103-2 Management approach and its components	68-71		
103-3 Evaluation of management approach	72		
403-1 Occupational health and safety management system	68, 69		SDG 3 / SDG 8
403-2 Hazard identification, risk assessment and incident investigation	75		SDG 3 / SDG 8
403-5 Worker training on occupational health and safety	75		SDG 3 / SDG 8
403-9 Work accident injuries	74		SDG 3 / SDG 8
Training and education			
103-1 Explanation of the material topic and its coverage	48-50		
103-2 Management approach and its components	48-50		
103-3 Evaluation of management approach	51		
404-1 Average hours of training per year per employee	51		SDG 4
404-2 Programs for upgrading employee skills and transition assistance programs	48-50		SDG 4
404-3 Percentage of employees receiving periodic performance and career development reviews	55		SDG 4
Diversity and equal opportunity			
103-1 Explanation of the material topic and its coverage	42		
103-2 Management approach and its components	42		
103-3 Evaluation of management approach	42-44		

Contents	Page / Answer	Omission	SDG
405-1 Diversity of governance bodies and employees	42-44 and 56, 57		SDG 5
Local communities			
103-1 Explanation of the material topic and its coverage	96, 97, 100, 103		
103-2 Management approach and its components	96, 97, 100, 103		
103-3 Evaluation of management approach	98, 99		
413-1 Operations with local community engagement, impact assessments, and development programs	98-105		SDG 4 / SDG 9 / SDG 16
413-2 Operations with significant actual and potential negative impacts on local communities	There were no negative impacts on the communities due to the execution of social investment programs.		
OG 9 Operations where indigenous communities are present or affected by activities and where specific participation strategies are implemented	There was no conflict with local communities/indigenous peoples.		
Supplier social assessment			
103-1 Explanation of the material topic and its coverage	60-62		
103-2 Management approach and its components	60-62		
103-3 Evaluation of management approach	60-62		
414-1 New suppliers that were screened using social criteria	63		SDG 8

Note 1

Main subsidiaries:

Tecpetrol S.A., Tecpetrol Operaciones S.A de C.V, Tecpecuador S.A., Tecpetrol del Perú S.A.C, Tecpetrol Bloque 56 S.A.C., Techenergy Services S.A. de C.V., Tecpetrol de Bolivia S.A., Norpower S.A. de C.V, Pardaliservices S.A, Tecpeservices S.A, Tecsip S.A. Tecpegas S.A., Suizum - Servicios de Consultoría S.L, Servicios Libertador S.L., Tecpetrol Servicios S.L., Tecpeandina S.A., Tecpetrol Internacional SL and Tecpetrol Colombia S.A.S.

Note 2

Argentina 94%, Colombia: 67%, Ecuador: 38%, Mexico: 38%, Peru: 0%, Uruguay: 0%, and Venezuela: 100%.

Note 3

2020 turnover rate: Argentina 14.5% / Ecuador 32.2% / Mexico 17.8% / Colombia 61.6%. Venezuela, Peru and Uruguay: 0%



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