

**2021**

# **GLOBAL SUSTAINABILITY REPORT**







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## MESSAGES FROM SENIOR MANAGEMENT



**Carlos Ormachea**  
Chairman of the Board  
of Administration  
of Tecpetrol Investments S.L.U.

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## Message from the Chairman

I am pleased to present the third Global Sustainability Report showing Tecpetrol's performance in economic, social, environmental and governance matters during 2021.

This tool enables us to reaffirm our steadfast commitment to transparency and accountability vis-a-vis our stakeholders by describing the scope of the company's activity and its impacts.

The Sustainable Development Goals (SDGs) are an authentic reference framework which Tecpetrol uses to incorporate sustainability into the heart of its business strategy. We have articulated a common vision, centering efforts on establishing the level of contribution from the value chain and strengthening our social license to operate, focused on managing operational and regulatory risks and on achieving growth in new markets. Likewise, we have set a course of action to reinforce our diversity and Human Rights policies so that we can continue building an increasingly inclusive Tecpetrol.

Our approach, based on Environment, Social & Governance (ESG) aspects, underpins the way in which we evaluate risks, forge our reputation and assess the impact of our activity among different stakeholder groups. The ensuing materiality analysis coupled with joint reflection, enables us to create long-term value and drive the transformation of our business in a sustainable manner. I invite you to read the report, and to share your comments with us.

Lastly, I should like to acknowledge and thank our employees for their dedication and enthusiasm, as it is they who provide the energy required to tackle the challenges we set ourselves and achieve our goals.

**Carlos Ormachea**

Chairman of the Board of Administration  
of Tecpetrol Investments S.L.U.





**Ricardo Markous**  
CEO, Tecpetrol

## Message from the CEO

In April 2021, I was appointed CEO of Tecpetrol, taking the helm of a group of companies intent on making their activity increasingly sustainable, in line with a philosophy of long-term commitment and a strong sense of belonging to our neighboring communities.

As I write this letter, the world of energy is fraught with disruption and change, brought about by Russia's invasion of Ukraine and its appalling humanitarian consequences. These events are also driving a major requirement for energy on a global scale. Although in Europe, work is under way to accelerate the pace of the energy transition as a way of limiting its dependence on fossil fuels, there is still an urgent need to produce the energy that Russia has stopped supplying. In this context, with Vaca Muerta, Argentina faces the responsibility of speeding up the development of its resources, especially gas, which is as competitive as it is abundant, and has lower emission levels than other hydrocarbons.

Thanks to the resilience and determination of our staff, in 2021 we notched up several major milestones, continuing to adapt quickly and efficiently to new ways of working in a hybrid set-up.

I would like to highlight the following activities and achievements:

- We continue to look after our health thanks to protocols in force throughout our facilities; we are also running a special fund of USD 16 million to support healthcare infrastructure in the different communities where we operate.
- Our +Diversity project was a finalist in the Argentina Women's Empowerment Principles "Empresas por ellas" (Companies by women) Award promoted by the International Labor Organisation and UN Women. In addition, in Mexico, this initiative won the first prize awarded by the INcluye forum for best Diversity and Inclusion practices 2021, from over 50 entries contributed by other companies in the country.

- We continue to make progress with several projects related to the energy transition, such as the lithium extraction pilot plant in northern Argentina, and the start-up of wind farm initiatives to support Tenaris and Ternium on their path to net zero.
- We launched TechEnergy Ventures, our corporate venture capital arm, whose mission is to invest in and accelerate the development of disruptive technologies in the areas of carbon management, sustainable lithium extraction, clean energy/electrification, and hydrogen and clean fuels.
- We implemented the new SAP management system, both a major challenge and a powerful management tool.
- We held the 2021 Employee Opinion Survey to gauge how happy people are working at Tecpetrol.
- We launched a new management platform for suppliers and held over 140 online audits.
- We celebrated 30 years of work at our Argentine fields El Tordillo and Los Bastos.
- At Fortín de Piedra, we reached gas production figures of 16 MMm<sup>3</sup>/day, representing 14% of the amount consumed daily in Argentina.
- We evaluated D129, an unconventional play in the El Tordillo reservoir.
- We resumed drilling in the Los Toldos II Este region.
- In the Puesto Parada field, which lies within the Los Bastos concession area, we launched a pilot project to evaluate the potential for unconventional hydrocarbons exploration in the area.
- We implemented our ProPymes Program 21/22.
- In Colombia, at the end of 2021, we inaugurated our new oil production Central Processing Facility (CPF) at the Pendare field and are advancing with the development of reserves there.
- In Ecuador, we resumed drilling activities in the Libertador field and continue to create value in our local communities, where we launched the scholarship program.
- The Pesquería Power Plant in Mexico became the first operation to be certified under the ISO9001-2015 standard. In addition, the company won three medals for best practices.

It is against this backdrop of achievements that we are proud to share the economic, social, environmental and governance results of the management of Tecpetrol Investments S.L.U., presented in a new Sustainability Report, showing both who we are and what we want to be.

I would like to thank all the people who make Tecpetrol what it is: our employees, suppliers and partners, as well as the members of the communities where we work, whose commitment and contribution are vital to the future development of our countries through the supply of energy.

Best regards,

**Ricardo Markous**  
CEO, Tecpetrol

## HIGHLIGHTS OF 2021

Tecpetrol  
operating data<sup>1</sup>



**> 20**  
operated areas



**> 800**  
wells in production



**165,000**  
barrels of oil  
equivalent per day  
of production



**14%**  
of Argentina's gas



**3.4  
billion**  
cubic feet of gas  
transportation  
capacity per day



**9,000**  
Km. of gas  
pipelines  
operated



**200,000**  
acres in  
unconventional areas

Economic  
and Governance  
Impact

EUR  
**1.030  
billion**  
EBITDA

EUR  
**401  
million**  
in investments in property,  
plant and equipment  
and intangible assets

USD  
**5.1  
million**

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

**99%**

of our purchases in Argentina,  
Colombia, Mexico and Ecuador  
are local



## Social Impact



**3,500**  
employees  
and contractors  
in Latin America



USD  
**1.9**  
million in Social  
Investment  
allocated to our  
communities<sup>2</sup>



**509**  
scholarships  
awarded in five  
communities  
in Argentina  
and Mexico



**22%**  
of people on  
our payroll are  
women

Our subsidiary Tecpetrol S.A. (Argentina) is a signatory to the **Women's Empowerment Principles (WEPs)**

Lines of work in the community:



**Education**



**Art and  
culture**

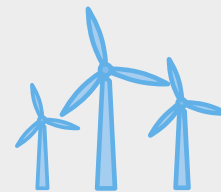


**Community  
development**

## Environmental Impact



Start-up of the **direct lithium extraction pilot plant** in **Olacapato**, province of **Salta**, Argentina.



Initial stages of execution of the **Buena Ventura Wind Park** with a design capacity of up to 105 MW, located in **González Chaves**, province of **Buenos Aires**, Argentina.

Energy intensity at  
Pesquería Power Plant  
(CEP)<sup>3</sup> of  
**75.31 GJ**  
per m<sup>3</sup>  
of oil equivalent

E&P energy  
intensity of  
**1.11 GJ**  
per m<sup>3</sup>  
of oil equivalent

**73%**  
of the water consumed  
is reused graywater

<sup>1</sup>The mention of "Tecpetrol" in this Report includes Tecpetrol Investments S.L.U. and its subsidiaries.

<sup>2</sup>Includes the total invested in corporate programs, contributions from the Fundación Rocca, institutional contributions and those corresponding to community projects arising within the framework of our Social Management.

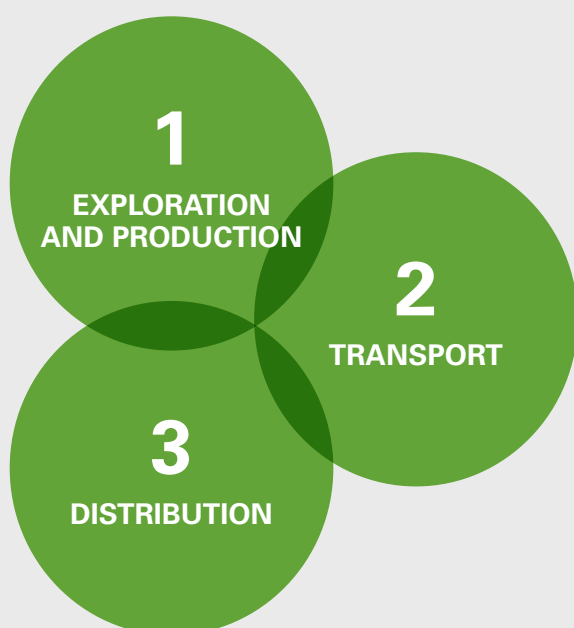
<sup>3</sup>CEP – Pesquería Power Plant (Central Eléctrica Pesquería).

## OUR COMPANY

**Energy.**  
Its exploration,  
discovery, production,  
transport and  
distribution

We provide all-around  
solutions in complex  
scenarios

The links in  
the energy chain



GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-16

### Who we are

Tecpetrol is a leading energy company dedicated to driving development throughout Latin America, pursuing a philosophy of long-term commitment to quality and technology and to its neighboring communities. As one of the six main companies of the Techint Group, we carry out hydrocarbons exploration, production, transport and distribution, producing energy for transportation, and powering industries and homes.

In each activity and process, we focus on continuous improvement. This enables us to achieve the highest possible recovery rate of reserves in mature fields and maximize the efficiency of our gas transportation operations. Our program of constant investment in technology focuses on developing unconventional projects, as is the case in Vaca Muerta in Argentina.

We have a long history of leading large and complex energy projects in Latin America, both upstream and midstream, for the oil and gas industry and power generation.

The rapid development of unconventional resources in Vaca Muerta, a top Argentine deposit, has consolidated our position as a regional leader in this area. We have extensive experience in the exploitation of mature fields, applying enhanced recovery methods to extract the largest amount of oil available in the deposits.

Through our fully-owned companies, we carry out operations in Argentina, Colombia, Ecuador and Mexico, and participate 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).

## Relevant SDGs





## Share Structure

Tecpetrol Investments S.L.U.<sup>4</sup> is incorporated and domiciled in Spain, and controlled by Techint Investments International S.L.U., a company that is legally incorporated in Spain and owns 100% of the Company's shares.

In the context of the energy transition and the development of opportunities to do business in areas such as sustainable lithium extraction, hydrogen production, renewable energy development and carbon management, Tecpetrol is collaborating with projects to decarbonize the Techint Group's operations. This includes the creation of the Uruguayan company Techenergy Ventures S.A., a corporate venture whose purpose is to invest in and accelerate the development of disruptive technologies included in the objectives of the energy transition.

In 2021, the company Sociedad Techenergy Lithium S.A. was established in Argentina to develop a pilot plant for direct lithium extraction in Olacamato, province of Salta, currently in the last stages of testing prior to start-up.

In December 2021, the subsidiary Tecpetrol S.A. (Argentina) acquired the share capital of the company Parques Eólicos de la Buena Ventura S.A. (PEBV), which is in the initial stages of developing the "Parque Eólico de la Buena Ventura" wind farm in the province of Buenos Aires, Argentina, expected to produce up to 105 MW. In 2022, it was sold to Siderca S.A.I.C., a related company, while Tecpetrol continues to act in an advisory role on the project start-up.

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<sup>4</sup> Henceforth Tecpetrol.



**“ We tackle challenges with professionalism, backed by sound technical skills and project execution capabilities. We pride ourselves on the excellence of our human resources and our core values embody safety and environmental care. That is our mission.”**

**Carlos Ormachea,**  
Chairman of the Board of Administration  
of Tecpetrol Investments S.L.U.



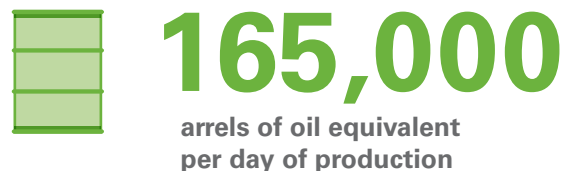
## Our business

### Exploration and Production

We carry out oil and gas exploration and production activities in Argentina, Bolivia, Colombia, Ecuador, Mexico, Peru and Venezuela. With over 800 wells in production, the Company owns primary and secondary recovery plants and facilities for gas conditioning and processing, as well as power generation.

As of December 31, 2021, proven oil and gas reserves, according to the Company's holdings, amounted to 119,79 MMm<sup>3</sup> of oil equivalent.

The hydrocarbons extracted during the year, in those fields operated by Tecpetrol through its subsidiaries, averaged 4,432 m<sup>3</sup>/day of oil and 17,827 Mm<sup>3</sup>/day of gas, representing production increases of 6.1% in oil and 5.6% in gas, compared with the previous year.



### Vaca Muerta output

**730**  
m<sup>3</sup>/d  
of unconventional  
oil

**13,800**  
Mm<sup>3</sup>/d  
of unconventional  
gas<sup>5</sup>

<sup>5</sup> Deliveries of gas at 9,300 Kcal.

### Production by type of operation

Production	Type	Unit	2021	2020	2020/2021 Variation		2019
Oil	Conventional	m³	1,877,195	1,777,185	100,010	+5%	1,879,020
	Unconventional	m³	265,720	221,555	44,165	+19%	269,370
Natural gas	Conventional	Mm³	2,412,650	2,257,160	155,490	+7%	2,300,595
	Unconventional	Mm³	5,049,775	4,416,500	633,275	+14%	5,458,940

#### Notes:

- Own production (adding operated and non-operated fields) is included within Tecpetrol's percentage.
- Unconventional production corresponds to Fortín de Piedra, Punta Senillosa and Los Toldos.

### Our operations

In Argentina, we operate in the conventional hydrocarbon blocks of the Neuquén Basin, the Northwest Basin and the San Jorge Gulf Basin. This includes the exploitation rights to the areas of Los Bastos (province of Neuquén), El Tordillo, La Tapera and Puesto Quiroga (province of Chubut), Agua

Salada (province of Río Negro), Aguaragüe and San Antonio Sur (province of Salta), Estancia La Mariposa, Lomita de la Costa and Cerro Mangrullo (province of Santa Cruz), and the exploration permit (and eventual exploitation) for the Gran Bajo Oriental area, also in the province of Santa Cruz.



We have a significant presence in Vaca Muerta in the province of Neuquén, as we are operating unconventional exploitation concessions in the Fortín de Piedra and Punta Senillosa fields, and have associations with other partners with whom we are operating the Los Toldos I Norte and II Este exploitation areas. We also have exploration permits in the Loma Ancha and Loma Ranqueles fields.

Furthermore, we have a stake in the Oriente basin in Ecuador and operated areas in the Burgos Basin in Mexico, while in the Llanos Orientales Bbasin in Colombia, we are developing, exploring and producing blocks CPO-7<sup>6</sup> and CPO-13.

In addition, we are participating as a non-operating partner in Camisea's Blocks 88 and 56 in the Ucayali basin, Peru; in the Ipati and Aquíño blocks in the Tarija basin, Bolivia. In Argentina, we have this arrangement in the Los Toldos I Sur (province of Neuquén) field, as well as in Ramos (province of Salta) and in the exploratory offshore field MLO\_124 in the southern reaches of the Argentine Sea, also in the Baripetrol Mixed Company that operates in the Colón Unit of the Maracaibo Basin, Venezuela, and in the Shushufindi block in Ecuador.

<sup>6</sup> In the process of being returned.

### Fields operated by Tecpetrol

Country	Name	Basin	Location	Operator	%	Surface area Km <sup>2</sup>	Concession expiry date
Argentina	Aguaragüe	Argentine Northwest	Salta	Tecpetrol	23	2,210	Nov-27
	San Antonio Sur	Argentine Northwest	Salta		23	375	Nov-24
	Agua Salada	Neuquén	Río Negro		70	650	Sep-25
	Loma Ancha <sup>(**)</sup>	Neuquén	Neuquén		95	143	Dec-22
	Loma Ranqueles <sup>(**)</sup>	Neuquén	Neuquén		65	135	Jun-20 <sup>7</sup>
	Los Toldos I Norte y II Este <sup>(*)</sup>	Neuquén	Neuquén		90	390	May-54
	Los Bastos	Neuquén	Neuquén		100	368	Jan-26
	Fortín de Piedra <sup>(*)</sup>	Neuquén	Neuquén		100	249	Jul-51
	Punta Senillosa <sup>(*)</sup>	Neuquén	Neuquén		100	24	Jul-51
	El Tordillo	San Jorge Gulf	Chubut		52.1	117	Nov-27
	La Tapera – Puesto Quiroga	San Jorge Gulf	Chubut		52.1	153-188	Aug-27
	Lomita de la Costa				82	10	Nov-33
	Estancia La Mariposa	San Jorge Gulf	Santa Cruz		82	28	Nov-33
	Cerro Mangrullo				82	49	Feb-37
	Gran Bajo Oriental <sup>(**)</sup>	San Jorge Gulf	Santa Cruz		100	2,466	Jun-25 <sup>8</sup>
Mexico	Misión	Burgos	Tamaulipas	Servicios Múltiples de Burgos	24.5	1,304	Mar-33
Colombia	CPO 7 CPO 13	Llanos Orientales	Meta	Tecpetrol Colombia	100	16 985	Jul-44
Ecuador	Libertador	Oriente	Sucumbios	Pardaliservices S.A	72.5	101	Feb-30

<sup>(\*)</sup> Unconventional exploitation.

<sup>(\*\*)</sup> Exploratory permits.

<sup>7</sup> In March 2020, a request was made to extend the field evaluation deadline. As of December 31, 2021, this is pending approval by the province of Neuquén.

<sup>8</sup> The exploratory permit was extended until June 7, 2025 (the formalization of this extension is still pending).

## Fields operated by third parties

Country	Name	Basin	Location	Operator	%	Surface area Km <sup>2</sup>	Concession expiry date
 <b>Argentina</b>	Ramos	Argentine Northwest	Salta	Pluspetrol	25	135	Jan-26
	Los Toldos I Sur (*)	Neuquén	Neuquén	Exxon Mobil Exploration Argentina	10	185	Mar-52
	MLO 124	Marina Malvinas	Malvinas	ENI	10	4,418	Oct-27
 <b>Peru</b>	Camisea Pagoreni	Ucayali	Camisea	Pluspetrol Perú Corporation S.A.	10	828	Block 88: Dec-40
	Blocks 88 and 56					585	Block 56: Sep-44
 <b>Bolivia</b>	Aquio	Tarija	Santa Cruz	Total E&P Bolivia, Sucursal Bolivia	20	625	May-42
	Ipati						May-38
 <b>Venezuela</b>	Colón	Maracaibo	Zulia	Baripetrol	17.5	1,300	Sep-26
 <b>Ecuador</b>	Shushufindi	Oriente	Sucumbios	Schlumberger Ecuador	28.56	395	Jan-32

(\*) Unconventional exploitation

## Our Business



### Note:

The exploration surface areas have not changed with regard to what was reported in 2019 except for Block CPO 7 in Colombia, which went from 16 km<sup>2</sup> to 14 km<sup>2</sup>.



Sharing our

# Techint Energy Transition



**A podcast series about the resources driving the energy system of the future.**

**Natural gas and its role in the energy transition. Marcelo Martínez Mosquera, Adviser to the Presidency of the Techint Group, explains how natural gas is spearheading the energy transition.**

**To listen to the podcast, click [HERE](#).**

**To read the article, click [HERE](#).**

## Transport and distribution

We invest in and operate gas distribution and transport companies, complemented by our capabilities in gas infrastructure development. We own shares in leading international firms and strategic energy companies as well as working together with them in Argentina and Mexico.

We own a 28.17% stake in Transportadora de Gas del Norte S.A. (TGN), indirectly through our ownership of Gasinvest S.A.; a stake of 31.5% in Transportadora de Gas del Mercosur S.A. (TGM), and 27.5% (indirectly through a holding in TIBSA Inversora S.A.) of Litoral Gas S.A., all in Argentina.

In addition, through our subsidiary Tecpetrol S.A., we have an indirect stake in the Loma Campana–

Lago Pellegrini pipeline (15%), in Oleoductos del Valle S.A. (2.10%) and in Terminales Marítimas Patagónicas S.A. (4.2%).

## Transportadora de Gas del Norte (TGN)<sup>9</sup>

Together with Compañía General de Combustibles S.A. (CGC), we form part of the group controlling TGN, a company dedicated to the transport of natural gas through high-pressure gas pipelines covering central and northern Argentina. At TGN, we transport 40% of the gas injected into the Argentine trunk gas pipelines (the Northern and Central West Gas Pipelines), representing 20% of the country's entire power grid.

<sup>9</sup> For more information, see .

## NORTHERN GAS PIPELINE

The pipeline stretches from the Durán fields (province of Salta) to the San Jerónimo compression plant (province of Santa Fe).

**4,550**

km of gas pipelines

**12**

compression plants

**204,620**

HP of installed power

**28**

MMm<sup>3</sup>/d of transport capacity

## CENTRAL WEST GAS PIPELINE

This pipeline runs from the Loma La Lata gas fields (province of Neuquén) to the San Jerónimo compression plant.

**2,256**

km of gas pipelines

**8**

compression plants

**171,000**

HP of installed power

**32**

MMm<sup>3</sup>/d of transport capacity









We have 21 compression plants producing a total of 391,020 HP, enabling us to connect the fields we operate in the Neuquén, Northwest and Bolivian Basins with eight of the nine gas distributors in the country, serving sub-distributors, industries, power plants and gas distribution companies located in 16 Argentine provinces.

We are the only operator able to link its gas pipelines at a regional level with Chile, Brazil, Bolivia and Uruguay. The system feeds into the following pipelines: the Gas Andes and NorAndino Argentina S.A. gas pipelines, which carry gas to central and northern Chile, respectively; the Entrerriano gas pipeline, servicing the province of Entre Ríos and the Uruguayan river coast; as well as the Transportadora de Gas del Mercosur S.A., and Gasoducto del Noreste Argentino (GNEA) pipelines. At TGN, we also provide operation and maintenance (O&M) services to several third-party-owned gas transport pipelines.

We operate and maintain

**10,971**

km of gas pipelines

**6,806**

km of owned pipelines

**4,165**

km of third-party pipelines

**60**

MMm<sup>3</sup>/d of transport capacity

In November 2021, the Energy Secretariat and the Argentine government announced the beginning of the process to build the first stage of the Néstor Kirchner Gas Pipeline along with the Transport. Ar national gas pipeline network. The authorities explained at the time that the first part of the work includes reversing the first two stages of the Northern gas pipeline and expanding the Central West gas pipeline. TGN is working closely with the Energy Secretariat to define the technical details of these works. TGN's latest sustainability report may be consulted [HERE](#).





### Transportadora de Gas del Mercosur (TGM)

In association with its partners Total Gas y Electricidad Argentina, CGC and Central Puerto, Tecpetrol manages TGM, a pipeline carrying natural gas from Aldea Brasileira, in the Argentine province of Entre Ríos, to Uruguayana, in the state of Río Grande do Sul, Brazil.

**421**

km of gas pipelines

**15**

MMm<sup>3</sup>/día of transport capacity

### Litoral Gas<sup>10</sup>

Litoral Gas is exclusively dedicated to natural gas distribution in an area covering the province of Santa Fe and some districts in the province of Buenos Aires, namely San Nicolás, Ramallo, Pergamino, Colón, Bartolomé Mitre, San Pedro and Baradero. The company serves approximately 752,500 residential, commercial and industrial customers, as well as power plants, compressed natural gas vendors and sub-distributors. The region covers a total area of 136,387 Km<sup>2</sup> with a

population of 3.9 million inhabitants. The number of localities served by the Litoral Gas natural gas distribution networks has risen from 45 at the time the company was privatized to 124 today.

The gas delivered by Litoral Gas to its customers comes from the Northwest, Neuquén and Austral basins, reaching the distribution area through the Northern, Central West and Gral. San Martín gas pipelines. The first two of these are operated by Transportadora de Gas del Norte, and the third by Transportadora de Gas del Sur.

**2,085**

km of high pressure pipelines

**11,274**

km of distribution networks

**124**

regulation chambers

**8**

MMm<sup>3</sup>/d of transport capacity

<sup>10</sup> For more information, see <https://www.litoral-gas.com.ar/site/>.

### Electricity generation

The Pesquería Power Plant (Central Eléctrica Pesquería - CEP) is located in the city of Pesquería, in the state of Nuevo León, Mexico. It has been supplying efficient and reliable energy to the Tenaris and Ternium industrial plants in Mexico since 2016. The CEP is environmentally friendly, a combined cycle plant running on three gas turbines and one steam one. Its water treatment plant features a zero effluent discharge system based on filtering and recycling graywater.

An ongoing environmental surveillance program has enabled over 5,000 native flora and fauna species to be rescued and rewilded.

In July 2021, the Pesquería Power Plant notched up an unprecedented achievement, as it was the first Tecpetrol project to obtain ISO9001:2015 certification.

**900**

MW net generation capacity

**80**

full-time employees

**50%**

less water consumed

**35%**

less fuel than a conventional power station

**“The path to certification is challenging, but, at the end of the day, also highly rewarding. Over time, we have improved the quality of our work and practices, in the knowledge that it’s always possible to do better, thanks to efficient, transparent and measurable processes aimed at achieving the highest operating standards. We’ve become a benchmark in the industry, inspiring greater confidence among our customers.”**

**Carlos Gutiérrez,**  
Economic-Financial Planning  
and Continuous Improvement Analyst





## Business entities and associations

Below is the list of professional associations and chambers of commerce of which Tecpetrol is a member, in the countries where it operates.

 Colombia	<p>Asociación Colombiana del Petróleo (ACP) (Colombian Petroleum Association)</p> <p>Federación Colombiana de Gestión Humana (ACRIP) (Colombian Federation of Human Management)</p> <p>Chamber of Commerce</p> <p>Supersociedades (Company Superintendencies)</p> <p>S&amp;P Global Commodity Insights</p> <p>Latin American Drilling Safety (LADS)</p>
 Ecuador	<p>Asociación de la Industria Hidrocarburífera del Ecuador (AIHE) (Association of the Hydrocarbon Industry of Ecuador)</p> <p>Quito Chamber of Commerce (Petroleum sub-chamber) (COMPETRO)</p> <p>Latin American Drilling Safety (LADS Ecuador)</p> <p>College of Accountants of Pichincha</p> <p>Society of Petroleum Engineers – SPE Ecuador Section<sup>(2)</sup></p>
 Argentina	<p>Instituto Argentino del Petróleo y del Gas (IAPG) (Argentine Oil and Gas Institute)<sup>(2)</sup></p> <p>Argentine Committee of the World Energy Council<sup>(2)</sup></p> <p>Asociación Regional de Empresas del sector Petróleo, Gas y Biocombustibles en Latinoamérica y el Caribe (ARPEL) (Regional Association of Companies in the Oil, Gas and Biofuels sector in Latin America and the Caribbean)<sup>(2)</sup></p> <p>United Nations Global Compact in Argentina<sup>(1)</sup></p> <p>Chamber of Public Limited Companies</p> <p>Cámara de Exploración y Producción de Hidrocarburos (CEPH) (Chamber of Exploration and Production of Hydrocarbons)</p> <p>Consejo Empresario Argentino para el Desarrollo Sostenible (CEADS) (Argentine Business Council for Sustainable Development)<sup>(1)</sup></p> <p>Women's Empowerment Principles (WEPs)</p>
 México	<p>Asociación Mexicana de Empresas de Hidrocarburos (AMEXHI) (Mexican Association of Hydrocarbon Companies)</p> <p>Asociación de Recursos Humanos de la Industria Petrolera (ARHIP) (Association of Human Resources of the Oil Industry)</p>
Regional	<p>Asociación Regional de Empresas del sector Petróleo, Gas y Biocombustibles en Latinoamérica y el Caribe (ARPEL) (Regional Association of Companies in the Oil, Gas and Biofuels sector in Latin America and the Caribbean)<sup>(2)</sup></p>

<sup>(1)</sup> Sustainable development initiatives.

<sup>(2)</sup> Associations where a position is held on the governing body.

# SUSTAINABILITY STRATEGY

As an oil & gas company, we are committed to the fight against climate change through a responsible approach to managing socio-environmental issues, energy security, and resources to help the country achieve a sustainable energy transition.

## A three-pronged approach

Our three-pronged ESG (Environment-Social-Governance) approach to sustainability enshrines a view of sustainability that underpins risk and reputation assessment as well as an evaluation of the business's impact on different stakeholders.

The Sustainability Report is the tool through which we present our stakeholders with our understanding of the principles guiding our business, and the contributions made by our activity.

GRI 102-12, 102-15

## Our contribution to the 2030 Agenda

The Sustainable Development Goals (SDGs) are a reference framework used by Tecpetrol as a way of incorporating sustainability into the heart of its corporate and business strategies. Together with other leading companies in our sector, we are working on a [2020 Oil and Gas Roadmap](#), whose main thrust is the articulation of 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 explore new markets for growth. The roadmap is also designed to act as a guide, helping to identify the principal opportunities to make a positive impact in the sector, setting key action items and checks and balances for the industry.





## Relevant SDGs:

**Tecpetrol's approach to the 2030 Agenda**

We are making progress in our understanding of how our practices dovetail with the Sustainable Development Goals (SDGs) and their targets. To do this, we employ the following criteria:

**Internal:**

- Identification of the strategic priorities of our core business.
- Identification of Management priorities.

**External:**

- Consideration of the priorities identified by the sector (IAPG Roadmap).
- Consideration of the priorities identified by large companies which are reporting at both global and regional levels.
- Consultation of the priorities identified by our stakeholders (in the materiality process).

As a result of this work, we were able to pinpoint how our best practices dovetail with the overall objectives of the 17 SDGs and, in particular, with the priority SDGs. This enabled us to update our own objectives, based on the analysis. In this Report, each section begins with a summary of the work undertaken using color-coded labels.

We believe that recognizing the alignment or degree of relationship between our sustainability strategy and the SDGs and their targets is the first step in the process of managing our business in relation to the 2030 Agenda.

The next step will be to identify what contribution can be made by associating the SDG Targets to the company's KPIs, enabling us to proactively drive initiatives designed to produce results in relation to the priority SDGs.



## Priority SDGs 2021- Results of latest update



GRI 102-32, 102-45, 102-48, 102-50, 102-53, 102-54, 102-56

### About this Report

We have followed the Global Reporting Initiative (GRI) methodology as a guide to drawing up this Global Sustainability Report, referring to the Core option, drawing on relevant aspects of the sectoral supplement applicable to oil and gas companies. In addition, we report on our 2021 contribution to the UN Sustainable Development Goals (SDGs).

The Report was subjected to an analytical evaluation process regarding certain indicators, underscoring our commitment to transparency.

This included an analysis regarding the application of the GRI Standards, as well as principles governing content and quality. There was no External Verification of the Report.

This is the third edition of the Tecpetrol Global Sustainability Report, covering the period from January to December 2021, and presents our economic, social and environmental performance in the countries where we operate: Argentina, Colombia, Ecuador and Mexico, well as those where we have a degree of participation or presence: Peru, Venezuela, Bolivia, Spain and Uruguay.

As management tools, we take 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 included is presented in accordance with the International Financial Reporting Standards adopted for use in the European Union (IFRS-EU) and endorsed by European Commission Regulations. It should be noted that the information is consolidated since it includes Tecpetrol Investments S.L.U and its subsidiaries.<sup>11</sup>

The main subsidiaries are detailed below:

Subsidiary	Main activity	Stake
Tecpetrol Internacional S.L.U.	Investment	100%
Tecpetrol S.A.	Exploration, exploitation, production and marketing of oil and gas	100%
Tecpetrol Operaciones S.A. de C.V.	Provision of services related to the development, infrastructure and maintenance of gas fields	100%
Tecpecuador S.A.	Exploration, exploitation, production and marketing of oil and gas	100%
Tecpetrol del Perú S.A.C.	Exploration, exploitation, production and marketing of oil and gas	100%
Tecpetrol Bloque 56 S.A.C.	Exploration, exploitation, production and marketing of oil and gas	100%
Techenergy Services S.A. de C.V.	Exploration, operation and maintenance of hydrocarbon deposits	100%
Tecpetrol de Bolivia S.A.	Exploration, exploitation, production and marketing of oil and gas	100%
Norpower S.A. de C.V. <sup>12</sup>	Execution of works related to the development, infrastructure and maintenance of the System 3 gas pipeline	59.98%
Pardaliservices S.A. <sup>13</sup>	Provision of hydrocarbon exploration, evaluation and development services	72.50%
Tecpeservices S.A.	Provision of design, engineering and construction services for works in fields or any oil infrastructure	100%
Tecsip S.A.	Provision of professional and technical services mainly to the oil industry	100%
Servicios Libertador S.L.	Investor and financial services	72.50%
Tecpetrol Servicios S.L.	Investor	100%
Tecpetrol Colombia S.A.S.	Exploration, exploitation, production and marketing of oil and gas, and services for the operation, maintenance and development of hydrocarbons fields	100%
Techenergy Lithium S.A. <sup>14</sup>	Exploration and mining	100%
Eglisel S.A.	Participation in other commercial companies, conclusion and management of all types of investment activities either in the country or abroad, on their own behalf or for third parties	100%
Parques Eólicos de la Buena Ventura S.A.	Planning, development, execution and exploration of renewable energy projects	100%

<sup>11</sup>Subsidiaries are those entities controlled by Tecpetrol, whether directly or indirectly.

<sup>12</sup>In July 2021, the public works contract with Pemex Exploración y Producción for System 3 ended.

<sup>13</sup>As of December 31, 2021, the subsidiary Servicios Libertador S.L. has a direct stake of 99.9% in the capital of Pardaliservices S.A.

<sup>14</sup>Tecpetrol Investments S.L.U. owns a 96% stake while Tecpetrol Internacional S.L.U. has the remaining 4%.

<sup>15</sup>The formal name change of Eglisel to Techenergy Ventures S.A. came into force as of August 15, 2022.

<sup>16</sup>At the date of issuance of the Consolidated Financial Statements, the subsidiary Tecpetrol S.A. agreed to sell its stake to the related company Siderca S.A.I.C.

The Human Resources and Institutional Affairs Departments 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 all the contents were in line with the company's overall business vision.

There have been no significant changes with respect to the last Report published. In those cases where it was necessary to modify a comparative value, this has been clearly identified and an explanatory note included.

As from 2020, this report is produced by Tecpetrol Investments S.L., the controlling arm of Tecpetrol Internacional, which together manage the portfolio of Oil & Gas businesses and the energy transition projects currently under development.

We ratify our continued support and commitment to the Ten Principles of the UN Global Compact, referring to Human Rights, labor rights, the environment and the fight against corruption. Through this Report, we render an account to Tecpetrol S.A. of compliance with the afore-mentioned Ten Principles through the **"Communication of Progress - Advanced Level"**.

Contact:

If you have any comments or questions about this Global Sustainability Report, please contact: [inversores@tecpetrol.com](mailto:inversores@tecpetrol.com)





## Stakeholders

Our stakeholders play a key role in defining the Company's relationship with its business environment, as they are 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 how likely they are to influence the company's performance and operations, as well as be affected, whether positively or negatively, by the same:

- Employees
- Customers
- Local communities and indigenous peoples
- NGOs
- Suppliers and contractors
- Trade union organizations<sup>17</sup>
- Media and public opinion
- Business entities and associations<sup>18</sup>
- Shareholders and risk rating agencies
- Financial institutions
- Government
- Other companies

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

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

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<sup>17</sup> We are accompanying the same union organizations as we have done since 2019. For more details, please see Tecpetrol's 2019 Global Sustainability Report, page 52.

<sup>18</sup> For further information about the business entities and associations we work with, please see section 3.3 of this Report.



## Materiality analysis

Analyses of the sustainability context in general and of the sector in particular were carried out as groundwork prior to drawing up the 3rd Tecpetrol Global Sustainability Report for 2021, in line with the Global Reporting Initiative (GRI) Standards detailed in the principles related to the definition of the content of the report. The objective was to identify potential material issues with a view to drawing up a Materiality Matrix based on the evaluation and valuation of these issues, with the participation of previously identified stakeholders.

### Materiality process

#### 1. Identification and prioritization of stakeholders:

The involvement of stakeholders, both internal and external, plays a key role in defining material aspects. We use the guidelines offered by the AA1000 Stakeholder Engagement Standard (AA1000SES), so that we can identify the main stakeholders affected as well as those with the potential to affect the Company in the normal course of its business.

#### 2. Identification of potential Material topic:

Potential topics arose from different aspects of Tecpetrol's business, as well as those highlighted by sectoral benchmarking and the main Sustainability initiatives, such as the UN Global Compact, the Global Reporting Initiative, SASB indicators applicable to the industry (Oil and Gas - Exploration and Production), and Spanish Law 11/2018 on Non-financial information, among others. A total of 25 topics were identified for evaluation.

**3. Materiality survey:** A digital survey was sent out to leaders from each Tecpetrol area, subsequently complemented by the opinions and concerns of our stakeholders. Respondents were asked to rate each of the topics on a scale of 1 to 5, depending on the level of importance they assigned to each one.

These are the main results of the survey:



**4. Material topics:** Both the ISO 26000:2010 Guidance on Social Responsibility standard and the GRI agree about how to manage and report issues identified as MATERIAL for the organization, taking into account the interests and expectations of principal stakeholders, and the issues identified by companies in the sector, etc.



The conclusions drawn from the analysis allowed us to build the following list of material topics, reflecting the most relevant issues for the business and for our stakeholders during 2021.

List of material issues identified according to ESG criteria		
E	S	G
Environmental performance	Social performance	Corporate Governance and Economic Performance
Responsible management of water and effluents	Health and safety at work	Ethics, transparency and anti-corruption
Waste management	Local communities	Economic performance of the organization
Preparedness and response to incidents and emergencies	Training and education	Risk management
Energy efficiency	Diversity and inclusion	Responsible management of the value chain
Biodiversity protection	Employment (employee hiring and rotation, benefits, etc.)	_____
GHG emissions, air-borne emissions	_____	_____



# GOVERNANCE, ETHICS AND INTEGRITY

GRI 102-18, 102-22, 102-23, 405-1

## Corporate Governance

The Company has a Board of Directors whose role is to protect company and shareholder interests. This is the highest governing body in the corporate structure, and comprises six members who met seven times during 2021 to review the most relevant issues impacting the company.

The members currently sitting on the Board of Directors are:

### Carlos Arturo Ormachea

PRESIDENT




 Nationality: Argentine  
Country of residence:  
Argentina

Independence	Executive
No	No

### Gonzalo de Benito Fernández

SECRETARY





 Nationality: Spanish  
Country of residence:  
Spain

Independence	Executive
Si	Si

### Rosana Marcela Garoby

COUNSELOR




 Nationality: Argentine  
 Country of residence:  
Spain

Independence	Executive
No	Si

### Claudio Gabriel Gugliuzza

COUNSELOR





 Nationality: Argentine  
Country of residence:  
Argentina

Independence	Executive
No	No

### Carlos Enrique Macellari

COUNSELOR





 Nationality: Argentine  
 Country of residence:  
Spain

Independence	Executive
Si	Si

### Carlos Guillermo Pappier

COUNSELOR



 Nationality: Argentine  
 Country of residence:  
Uruguay

Independence	Executive
No	No



## Relevant SDGs:



**Carlos Arturo Ormachea** graduated in Economic Sciences from the National University of La Plata (UNLP) and has a Master of Science in Management from Stanford University, U.S. He is a Director on the Board of Santa María S.A.I.F. and was appointed president of Tecpetrol Investments S.L.U. in April 2021. He has worked for the Techint Group for over 40 years, and has 20 years of experience working in the group's Industrial sector as well as 20 years in energy companies, including oil and gas exploration and production (E&P), transportation and distribution activities, gas and power generation (G&P).

**Gonzalo de Benito Fernández** is a practicing lawyer, registered with the Madrid Bar Association (Ilustre Colegio de Madrid). He has a Master's from the Instituto de Empresa and is currently Partner-Director of Bufete Castellana 12, S.L.P., where his main practice is in Commercial Law coupled with extensive experience advising Boards of Directors. He has been part of the Techint Group since 1995, initially acting as advisor to Techint S.A. and currently on the Boards of Directors of other companies of the Techint Group.

**Rosana Marcela Garoby** has a degree in Business Administration and Public Accounting from the Faculty of Economic Sciences of the University of Buenos Aires. She also has a postgraduate degree in International Accounting Standards from the University of Buenos Aires as well as a postgraduate degree in Engineering and Construction Project Management from the Argentine Catholic University. Ms. Garoby has been working with the Group for almost 30 years in management positions. She currently acts as an advisor and is a member of the Boards of Directors of various different Techint Group companies.

**Claudio Gabriel Gugliuzza** is a Public Accountant with a degree from the University of Buenos Aires. Since 2014, he has chaired the Obra Social Aceros Paraná and, since April 2021, serves as the General Director of Corporate Areas of Tecpetrol S.A.

He is also the director and/or president of several related companies. He has over 30 years' experience in senior positions such as Director of Administration and Finance, Director of Planning and Director of Tax Planning and Compliance in various companies belonging to the Group.

**Carlos Enrique Macellari** has a degree in Geology from the University of La Plata in Argentina and a Master's degree and doctorate in geology from Ohio State University, U.S. With over 35 years of experience in the oil and gas industry, his career spans work in the U.S., Europe and Latin America. He is currently the Executive Director of Andes Energy Consulting, and a member of the Board of Directors of different companies in the Techint Group. Dr. Macellari was the founder of the *Journal of South American Earth Sciences* and has published about 50 scientific articles in peer reviewed publications and international media.

**Carlos Guillermo Pappier** is a Public Accountant who graduated from the National University of La Plata and has a Master's degree in Management from the Stanford Graduate School of Business. He is currently a Director of Tecpetrol Investments S.L.U. and Chairman of TechEnergy Ventures S.A., having held various positions at Tenaris and other companies in the Techint Group. From May 2016 to April 2021, he served as General Director of Corporate Areas of Tecpetrol S.A., and was Director of both Tecpetrol S.A., and Tecpetrol International S.A.

## Diversity in the Governing Body

Category	Division	Number	Percentage
Gender	Female	1	16.7%
	Male	5	83.3%
Age group	Under 30	0	0
	Between 30 and 50 years	0	0
	Over 50 years	6	100%

The highest governing body undertakes the final review and validation of the Sustainability Report.





Risk management

Our operations take place in an environment characterized by a wide variety of risks, many of which are inherent to the activity we carry out, while others have to do with the geographical zone where this takes place: political instability, social tensions and economic difficulties with the potential to alter the situation of the countries where we operate.

We have identified, analyzed and carried out actions to mitigate those risks with an influence or impact on investment and operating decisions, in order to achieve our objectives.

The company’s financial statements detail<sup>19</sup> the financial risks to which we are exposed because of our activities. Our risk management program focuses on the unpredictability of financial markets and aims to minimize any potentially adverse effects on our financial performance.

During 2021, the main financial risks identified were:

	<b>Market risk</b>	Foreign currency exchange rate risk Interest rate risk Oil and gas price risk
	<b>Credit risk</b>	Concentration of credit risk in short-term loans and investments, customers and other loans
	<b>Liquidity risk</b>	Maintaining adequate financial resources and access to credit facilities to finance operations
	<b>Capital risk</b>	Adequate level of indebtedness over net worth, considering the industry and the markets where the company operates

Additionally, special attention is paid to operational risks related to labor and environmental aspects. Our HSE Management System (Health, Safety and Environment) is based on programs for the prevention, assessment and management of risks and impacts, as well as improvement plans and initiatives for safety and environmental care, including preventive observations and inspections of operating activities, among other tools.

<sup>19</sup>For more information, please consult our Consolidated Financial Statements at: <https://www.tecpetrol.com/media/yqwmcotd/31-de-diciembre-de-2021.pdf>.

GRI 102-16, 102-17, 102-25, 103-1, 103-2, 103-3, 205-2, 205-3  
Material topic: Ethics, Transparency and Anti-corruption

## Ethics, integrity and anti-corruption

We are committed to a corporate culture of transparency and integrity, based on ethical conduct and an observance of the laws of the land. Commitment to these values, by the company's leaders, personnel and third parties linked to Tecpetrol, is essential to keep our company competitive in the market over the long term.

Our [Code of Conduct](#) 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 strengthens measures to ensure personal data protection and encourages transparent economic competition, ensuring a respectful work climate.

Regarding Human Rights, it specifies that neither harassment in any form, nor child labor or exploitation of any kind, will be tolerated throughout our activities.

**Integrity, transparency and compliance with the laws of the land are core values for Tecpetrol**

We also have a Business Conduct Policy in place which sets 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 Convention to Combat Bribery of Foreign Public Officials in International Business Transactions of the Organization for Economic Cooperation and Development (OECD).

All members of Tecpetrol recognize and undertake to comply with the Code of Conduct and the Business Conduct Policy.

**“We are all responsible for building and strengthening our values of integrity and transparency, in each task we carry out.”**

**Ricardo Markous**

Chief Executive Officer (CEO)



### Anti-corruption compliance program

At Tecpetrol, we consider that assessing and understanding corruption risks is the basis for an adequate Business Conduct Compliance Program. This envisages periodic risk assessments in order to:

- Identify the bribery risks that the company could face.
- Analyze, evaluate and prioritize the risks identified.
- Assess the suitability and effectiveness of current controls in the company to mitigate and manage risks.

Tecpetrol has a Business Conduct Compliance Officer (BCCO) in charge of identifying and mitigating corruption risks, fostering a culture of ethical and transparent conduct, and designing standards in line with national and international laws against corruption and bribery.

The risk assessment process takes into account various factors such as locations, operation, activity, investments and participation of third parties, among others.

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.

#### This program encompasses ten areas:

- Risk assessment and planning
- Regulatory framework
- Advice and guidance
- Communications and outreach
- Training
- Certification
- Evaluation of third parties
- Monitoring and audit
- Discipline and remediation
- Benchmarking

No confirmed cases of corruption have been identified in Tecpetrol.<sup>20</sup>

Additionally, the control mechanisms required are applied in line with applicable regulations in each country where we operate to prevent and avoid money laundering, the financing of terrorism, and drug trafficking.

### Evaluation of third parties

Tecpetrol's Compliance Program also includes specific procedures undertaken to assess, 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.

During 2021, the main procedures related to the assessment of third parties were reviewed and updated, with the aim of ensuring the continuous improvement of the processes, in accordance with best practices and international standards.

Given the critical role played by suppliers in our Compliance Program, we have also developed the [Code of Conduct for Suppliers](#) based on UN recommendations, which must be accepted and recognized by all our suppliers.

All Tecpetrol suppliers are required to know and agree to the Code of Conduct for Suppliers, committing to comply with the standards and principles established therein.

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

The graph shows the numbers of inquiries and requests for approval received by country in 2021.

Distribution by country	2021	2020
 Argentina	53%	61%
 Colombia	16%	10%
 Ecuador	3%	5%
 Mexico	12%	17%
 Peru	12%	-
Others	4%	7%

<sup>20</sup>As defined in the Tecpetrol Code of Conduct and Business Conduct Policy, we understand these to be: (1) Any attempt to influence the decision of government officials or political representatives. (2) Any element used to improperly influence a person in their performance of a relevant function or duty, and (3) Any violation of any law or applicable anti-corruption regulation.



### Communications, outreach and training

Tecpetrol's commitment to continuous improvement is reflected in the focus and effort we devote to training and monitoring programs, as well as the permanent interactions between the BCCO, the Audit Department and Legal Services. Our awareness-raising and communications campaigns seek to reinforce people's knowledge of appropriate business conduct, and highlight the importance of the company's system of checks and balances. During 2021, we held a global campaign highlighting the importance of early detecting warning signs related to Prohibited Payments, Third-Party Actions, Conflict of Interests, Negative Background, Request for Unusual Payments and Negative Reputation.



We also continued with our communication campaign **"Be alert, ask for advice, do the right thing"**, accompanied by a series of suggestions and reminders related to Internal Control.



These campaigns are rolled out on the company's many different channels, ranging from notifications and news flashes to publications on the Intranet and induction meetings, in accordance with industrial best practices.

During 2021, the company issued 22 staff communications, including a message from Senior Management (CEO and Directors) to all employees, aimed at raising awareness and ensuring people remain alert to the possible risks of corruption.

Communications and training campaigns on anti-corruption policies and procedures are held globally and reach all personnel, regardless of hierarchical position or region.

During 2021, Tecpetrol's entire payroll was informed about the anti-corruption policies and procedures issued and/or updated by the company.





## Training in Compliance <sup>21</sup>

Country	Categories			Total
	Employees	Middle & Top Management	Top Executive & Sr. Management	
 Argentina	98%	100%	98%	99%
 Colombia	100%	100%	100%	100%
 Ecuador	100%	100%	100%	100%
 Mexico	100%	100%	100%	100%
 Peru	100%	100%	—	100%
 Uruguay	100%	100%	—	100%
 Venezuela	—	100%	100%	100%
<b>Total</b>	<b>99%</b>	<b>100%</b>	<b>99%</b>	<b>99%</b>

<sup>21</sup>Calculated as employees having received training on business conduct issues as of December 2021, out of a total of 394 employees identified as high risk due to the functions they perform (e.g., interaction with government entities, contracting responsibilities and/or supervision of third parties representing Tecpetrol, involvement in tasks associated with controls and payments, among others).



By December 2021, 99% of the company's personnel with a high exposure to business conduct risks had received training.

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

The Management Report as of December 31 is presented to the members of the Board on an annual basis, detailing the latest regulatory developments and main activities performed in the context of the Anti-corruption Program.

### 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 behavior contrary to the Code of Conduct or its principles. The Internal 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.

People are encouraged to use the Transparency Hotline to send queries, request guidance and report situations or behaviors contrary to the principles of the Code of Conduct.

Tecpetrol personnel are expected to be alert and report any issue or potential violation of the Code to their direct supervisor, the corresponding Director, the Internal Audit Department, or the Legal Counsel area. They may also contact the Transparency Hotline. For all matters concerning the Business Conduct Policy, they should contact the BCCO.

#### Reports can be sent through any of the following channels:

- Using the [web form](#) available on the Transparency Hotline
- By telephone using the 0800 toll-free numbers available 24/7 in Argentina, Colombia, Ecuador and Mexico
- By email to [AUDITORIA\\_RESPONDE@TECPETROL.COM](mailto:AUDITORIA_RESPONDE@TECPETROL.COM)
- By contacting Tecpetrol's Internal Audit department directly Tecpetrol.



### In 2021:

- Reports received had a verifiability rate of 33% and led to the application of disciplinary measures, helping to improve the company's internal control environment.
- In 75% of the reports, the complainant identified themselves.

### Conflict of interests

A conflict of interests, whether real or potential, is held to exist when the relations between personnel and third parties could affect Tecpetrol interests. Conflicts of interests involving personnel must be communicated in writing, as required by the Policy on Transparency in Relations with Third Parties.

Personnel are required to prioritize Tecpetrol's interests over any situation that could represent a real or potential personal benefit, whether for themselves, their relatives or associates; in their relationships with customers, suppliers, subcontractors, commercial and non-commercial intermediaries, and competitors.

During 2021, the members of the Company's Board of Directors have not reported any situation of conflict of interests.

GRI 103-2, 103-3

## Commitment to Human Rights

In 2021, we issued our updated [Human Rights Policy](#), applicable to all staff, suppliers and third parties, renewing our commitment to support and respect the protection of internationally declared Human Rights. We hope that all members of our value chain share these values with respect to Human Rights and community relations.

We are committed to carrying out our operations in a manner consistent with the principles of Human Rights, fostering and promoting respect for the fundamental rights and dignity of people, acting in compliance with the Universal Declaration of Human Rights, the principles articulated in the Declaration of the International Labor Organisation regarding fundamental principles and rights at work, the United Nations Global Compact, and all Human Rights laws, rules and regulations applicable in the jurisdictions where we are present.

Accordingly, we adhere to the following principles (including, but not limited to):

- Respect for human freedom and dignity.
- Prohibition of child labor, compulsory forced labor, slavery or servitude.
- Prohibition of cruel, inhuman or degrading treatment or punishment.
- Prohibition of harassment and discrimination.
- Recognition of freedom of association and participation in collective bargaining.

As indicated in Section 6.3 Supply Chain, during the registration process and prior to moving forward with the business relationship, suppliers must confirm their respect for the Universal Declaration of Human Rights, in addition to expressly accepting Tecpetrol's Code of Conduct.





## ECONOMIC PERFORMANCE

We are currently operating in an economic context whose key variables have been affected by the COVID-19 pandemic, prompting a global economic and financial crisis with an impact on the Company's activity. This situation has significantly conditioned the demand for hydrocarbons, although onsite access to deposits by essential operating personnel and remote work by other employees have not materially affected Tecpetrol's ability to carry out its operations normally. Similarly, such changes have not negatively affected our information systems and internal control of financial information.

During 2021, in the context of the recovery of the global economy and rising international oil and gas prices, Tecpetrol stepped up activity at its operations, significantly increasing investments and production while ensuring continued compliance with the health and safety protocols established to curb the spread of COVID-19, and adapting to new working conditions.

The main financial ratios and indicators are set out below:

Item	2021	2020
Assets	EUR <b>3.860</b> billion	EUR <b>2.852</b> billion
Net sales	EUR <b>1.539</b> billion	EUR <b>1.179</b> billion
EBITDA	EUR <b>1.030</b> billion	EUR <b>789</b> million
Investments in property, plant and equipment and tangible assets	EUR <b>401</b> million	EUR <b>118</b> million
Financial debt	EUR <b>840</b> million	EUR <b>592</b> million
(Cash)/Net debt <sup>(*)</sup>	(EUR <b>419</b> million)	EUR <b>159</b> million

<sup>(\*)</sup> (Cash)/Net Debt = Financial Debt – Cash and Cash Equivalents, Other short-term investments and Long-term deposits.

Relevant SDGs:



## Economic impacts

### Direct economic value generated and distributed

The following table, proposed by the GRI Standards, shows the flow of economic value

generated and distributed among the different stakeholders. The figures are presented in millions of Euros according to the Consolidated Financial Statements as of December 31, 2021, including Tecpetrol and its subsidiaries.

Economic Value Generated	Stakeholders	2021	2020	2019
Net Income	Customers	1,539	1,179	1,594
Other income	–	51	34	28
Profit from investments in associated companies accounted for using the equity method	Related companies	67	27	77
<b>Total Economic Value Generated</b>	–	<b>1,657</b>	<b>1,240</b>	<b>1,699</b>

Economic Value Distributed	Stakeholders	2021	2020	2019
Operating costs	Suppliers	740	865	954
Employee salaries and benefits	Employees	93	86	102
Capital accounts payable	Credit suppliers	46	51	59
Government payments / Taxes	Government	234	183	366
Investment in communities*	Community	0.24	n/a	n/a
Total economic value distributed	–	1,113	1,185	1,481
Economic value retained	–	544	55	218
Result of the period		544	55	218

\*Investments earmarked for volunteering activities within the Community Relations (CORE) program, according to the size of the stake owned by Tecpetrol in operated and other joint ventures.  
The amounts accounted for during 2021 are taken into consideration.  
To obtain the figure for the amount invested in Euros, the average quarterly exchange rate (EUR-USD) was used.



The following is the detail for each of the items of the Economic Value Distributed as informed in 2021

<b>Operating costs</b>	(740)
Cost of sales	(640)
Cost of commercialization	(1)
Administrative costs	(16)
Exploration costs	(11)
Other operational expenditure	(3)
Other expenditure and financial results	(69)
<b>Employee salaries and benefits</b>	(93)
Wages and salaries	(71)
Social charges	(12)
Other employee benefits	(10)
<b>Payments to providers of capital</b>	(46)
Interests	(46)
<b>Taxes and contributions</b>	(234)
Income tax	(1)
Credit and loans tax	(12)
Taxes, rates and contributions, etc.	(221)

Tecpetrol did not receive any form of government contribution or assistance in any of the countries where it operates.

#### Employee benefit plans

We have adopted a long-term retention and incentives program for staff at some subsidiaries (LTI – Long Term Incentive). Under this program, certain senior Company officials will receive a number of units (of the benefit granted), valued at the book value of the Consolidated Shareholders' Equity per share (excluding non-controlling interest). The Company does not have option plans for the remuneration of directors or managers.

In addition, some subsidiaries have benefit programs in force under the modality of "unfunded defined benefits" and "other long-term benefits", which, under certain established conditions, are granted after retirement and during the working period, respectively.

#### Principal features are:

- Type of plan: Defined benefit
- Benefits: Death, retirement at 65 years and by mutual agreement (before 65 years)
- Scope: All management staff
- Calculation base: Standard annual remuneration



## Innovation and technology

### Process improvements and innovation initiatives

Investing in technology and continuous improvement in our operations is one of the pillars supporting our sustained growth, allowing us to improve our economic performance. We use the most efficient technologies available 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. We use the latest monitoring and communications technologies and IT systems to develop our operations control systems and processes, allowing for a better and more timely response to modifications and the necessary adjustments.

Some of these tools are used in field and plant operations, such as the online monitoring of drilling and completion operations, or for allocating resources to meet specific needs (drilling and completion rigs, surface facilities and equipment) and adjusting these to deliver an optimal performance in line with production targets. Using these tools optimizes resources and ensures greater control of the operation, leading to higher response speeds and productivity, resulting in cost savings and reducing the time required to build wells, enhancing safety and reducing environmental impact.

### Process optimization

The Global Operations Department is committed to improving process efficiency as part of its remit, among its many other goals. 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. Decisions about the specific lines of work for each management period are determined together with the Company's Management and initiatives are prioritized on this basis.

Trained personnel examine and analyze operations at a global level, working together with those responsible for the operation, to propose optimizations or changes in procedures and processes as part of the company's cycles of continuous improvement and innovation.

In addition to keeping abreast of technological change, we combine select methodologies with process innovation cycles to bring about increases in productivity and efficiency, as well as reduce costs.

Each region's structure takes account of the contributions made by local referents in the area of continuous improvement, as they are responsible for consolidating initiatives at local or regional level, supporting the improvement groups, and helping to disseminate the lessons learned. They also contribute to managing the changes required to implement the solutions analyzed.

During 2021, various projects and initiatives were carried out at the company's operations in Argentina, Mexico, Ecuador and Colombia.



## Number of projects by field and type of improvement

Field	Misión		Fortín de Piedra		Ecuador	Colombia	El Tordillo	
Period	2021	2020	2021	2020	2021	2021	2021	2020
Deliveries and Pipelines	–	–	2	1	–	–	–	–
Operations	2	3	1	4	–	2	2	2
Production	1	1	–	1	–	–	–	–
Administration	–	2	–	–	–	–	–	–
Drilling	–	–	3	–	–	–	3	–
Supplies	1	–	–	–	4	–	–	–
HSE	–	1	–	–	–	–	–	–

The projects undertaken are related to field operations, and are mostly about achieving improvements in costs and productivity in areas such as production processes, well construction (improved timing, use of materials and services) and administrative procedures, for instance.

Total improvements achieved worth  
**USD 5.131 billion**

## Effective improvements in 2021 (in USD million)

Country	Field	2021	2020
 Argentina	Fortín de Piedra	2,933	15,144
	El Tordillo	740	69
	Aguaragüe	–	1,802
 Colombia	CPO-13	500	–
 Ecuador	Libertador	394	–
 Mexico	Misión	564	1,376
<b>Total</b>		<b>5,131</b>	<b>18,391</b>



Supply chain

Suppliers

A solid commitment to supplier development is vital to safeguard the creation of business value. We are thus constantly seeking ways to strengthen 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.





This year, we held our training programs in online mode, which continued to open the door to new opportunities for incorporating, evaluating and training suppliers and contractors in line with our transparency, quality, health, safety and environmental policies.

The following table details the amounts paid for services rendered as well as goods and materials purchased, classified according to the main line items in our supply chain in those countries with significant operations:

We are committed to the all-around development of our suppliers



## Purchases (in USD million)<sup>22</sup>

Classification	 Argentina		 Colombia		 Mexico		 Ecuador		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Facilities</b>										
Local	58.8		16.6		1.5		5.2		82.2	
Imported	1.3		–		–		–		1.3	
<b>Total</b>	<b>60.1</b>	<b>61.2</b>	<b>16.6</b>	<b>27.6</b>	<b>1.5</b>	<b>4.8</b>	<b>5.2</b>	<b>5.7</b>	<b>83.5</b>	<b>99.3</b>
<b>Operations &amp; Maintenance</b>										
Local	156		6.7		12.5		3.6		178.9	
Imported	0.1		0.1		0.1		–		0.4	
<b>Total</b>	<b>156.1</b>	<b>101.8</b>	<b>6.8</b>	<b>10.8</b>	<b>12.6</b>	<b>12.9</b>	<b>3.6</b>	<b>1.4</b>	<b>179.2</b>	<b>129.9</b>
<b>Drilling</b>										
Local	190.7		6.3		15.6		8.2		220.8	
Imported	–				–		–		–	
<b>Total</b>	<b>190.7</b>	<b>47.7</b>	<b>6.3</b>	<b>10.5</b>	<b>15.6</b>	<b>14.5</b>	<b>8.2</b>	<b>0.4</b>	<b>220.8</b>	<b>73.1</b>
<b>Completion</b>										
Local	107.2		–		2.8		1		111	
Imported	–		–		–		–		–	
<b>Total</b>	<b>107.2</b>	<b>13.6</b>	<b>0</b>	<b>0</b>	<b>2.8</b>	<b>1.2</b>	<b>1</b>	<b>0.1</b>	<b>111</b>	<b>15.0</b>
<b>Support services</b>										
Local	29.7		6.8		2.5		1.4		40.4	
Imported	1.7		0.1		–		–		1.8	
<b>Total</b>	<b>31.4</b>	<b>23.8</b>	<b>6.9</b>	<b>2.6</b>	<b>2.5</b>	<b>4.4</b>	<b>1.4</b>	<b>1.7</b>	<b>42.2</b>	<b>32.5</b>
<b>Total</b>										
Local	542.4		36.5		34.9		19.4		633.1	
Imported	3.2		0.2		0.2		–		3.6	
<b>Total</b>	<b>545.6</b>	<b>248.1</b>	<b>36.7</b>	<b>51.6</b>	<b>35.1</b>	<b>37.8</b>	<b>19.4</b>	<b>9.3</b>	<b>636.7</b>	<b>346.8</b>
<b>% Local</b>	<b>99%</b>		<b>99%</b>		<b>99%</b>		<b>100%</b>		<b>99%</b>	

> 99% of our purchases are made from local suppliers

<sup>22</sup> As from 2020, we decided to prepare our reports with reference to the amounts certified instead of awarded, as these numbers are more representative of our activity.

## Supplier selection process

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

and performance track record in Health, Safety and Environment.

We follow a route comprising specific proactive instances to enable suppliers to participate in bidding processes:



### Recruitment and selection

Suppliers can publicize their products or services by uploading their information at no cost as part of a 100% digital solution



### Incorporation process

Onboarding happens on the supplier management platform, where we manage our vendor list



### Evaluation and training

We evaluate 83 requirements to identify strengths and opportunities for improvement

## Recruitment and selection

In order to improve the response to our calls for tender, we developed a fully digital solution, open to all our value chain, to increase the visibility of opportunities to work with us and enhance the real and potential supply capabilities of local, national and foreign companies.

The prequalification process includes a form on our website, publicized by different Chambers, Federations, industrial and business clusters and/or conglomerates, which must be filled in with basic data about the organization, its management areas and solvency status.

To access the form, click [HERE](#).

Using this tool not only allows us to identify new companies, but also offers our regular suppliers the opportunity to publicize their entire offer, encouraging healthy competition in the bidding processes. The platform has many Latin American companies registered on it, as well as those from other regions.

## Registration process for new suppliers

Once a potential new supplier has been identified through the prequalification tool and the proactive steps taken by Procurement and Supplier

Management, the formal registration process for a new supplier gets under way.

This is when the supplier is given access to the management platform. In addition to providing certain fiscal and administrative information, the new supplier must expressly accept the Tecpetrol Code of Conduct for Suppliers and confirm their respect for the Human Rights declarations before moving on to the next phase in the business relationship.

**In 2021, 307 suppliers registered with the company using this process**

## Evaluation and qualification

Based on information provided on the supplier platform, we carry out thorough evaluation processes to establish whether the supplier is equipped with the appropriate management tools to perform the tasks required without incurring in deviations that could affect people's health and

safety and the environment, as well as our facilities and operational continuity.

This evaluation was designed on the basis of 83 requirements taken from an analysis of the key or most common prerequisites established by the ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and API Q2: First Edition 2011/16 standards. The qualification form explicitly asks whether the supplier actively pursues and maintains policies in the following areas:

- Integrity and transparency
- Diversity and inclusion
- Environmental care

These aspects are taken into account in the final score obtained by the supplier during the qualification process.

The evaluation uses a specific method to identify, weight and analyze requirements according to different groups of items and services, and thus ensure an evaluation report that is consistent with the supplier's answers with as little bias as possible. Based on the replies to the 83 queries discussed with suppliers, we drew up a report in

consultation with the HSE department concerning those services and supplies deemed critical according to an earlier analysis.

The results and any observations made in the report are uploaded onto the management platform and remain available for consultation by the purchasing officials working in Procurement Management.

This methodology enables us to unify criteria and eliminate subjectivity, creating a comprehensive file on each supplier and establishing mechanisms to increase liquidity both in terms of quantity and quality. Those suppliers that successfully pass this process are registered on the supplier management platform and can thus participate in the company's tenders.

The process enables us to perform individual or global diagnoses which can be segmented so as to enhance the 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 objectively identify supplier strengths and weaknesses as well as areas of opportunity.





### Supplier performance assessment

During the validity of the contracts, we hold regular assessments of our suppliers' administrative, personnel and safety performance as well as other aspects related to meeting the deadlines and objectives established. In these instances, we try to detect opportunities for improvement, analyze the results and define priorities in different areas such as labor, the unions, and HSE, for instance.

Our service managers are in charge of reporting any deviations during contract management in a Digital Communications Book. The supplier in question is required to review or comment the report and must implement the corresponding solution if required.

### Supplier development: ProPymes Program

To consolidate an integrated value chain, we focus our work on developing our suppliers.

Committed  
to our value chain

#### Development

The ProPymes Program includes consultancy advice and technical training

#### Follow-up

We evaluate the supplier's management structures and provide support in the form of actions and incorporate them into the consultancy program

#### Continuous improvement

We periodically analyze the process for each supplier (identification, qualification, development and management)



In 2002, the Techint Group launched an initiative to support its value chain, entitled the ProPymes Program, for the Group's SME customers.

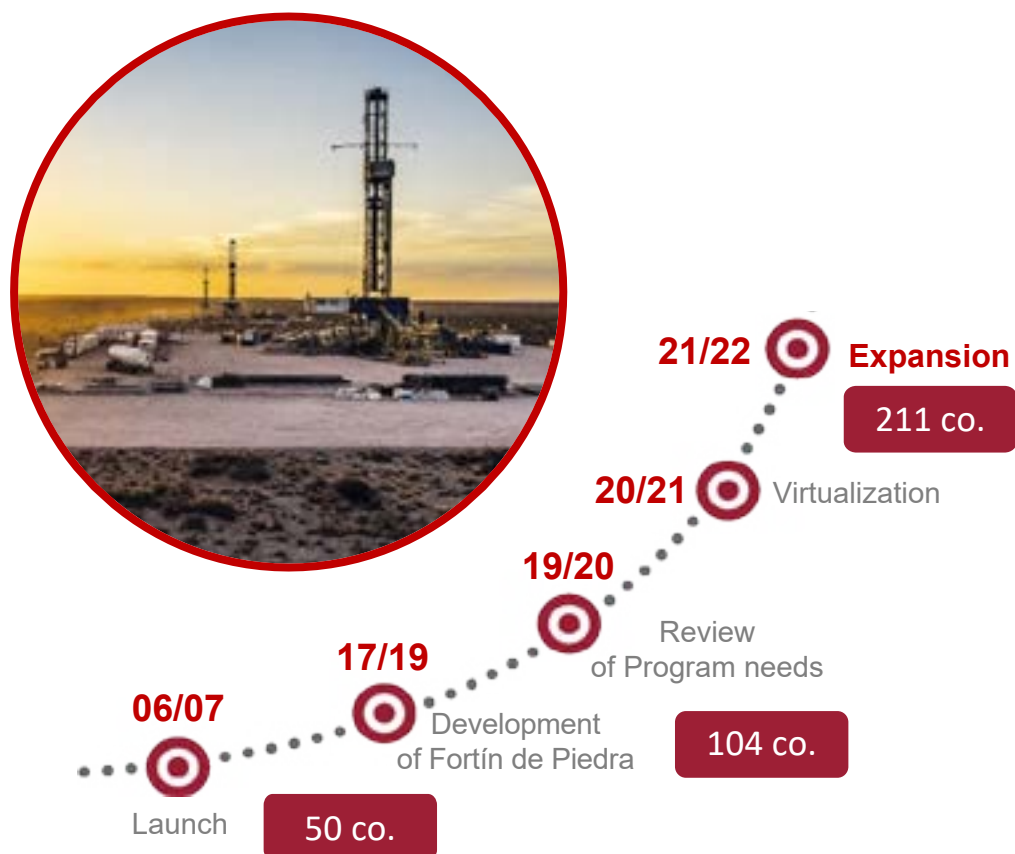
#### Objectives of the ProPymes Program

- To achieve improvements in competitiveness, especially productivity
- To encourage efficient import substitution
- To strengthen the export capacity of the SMEs in the Program
- To drive investment in increasing production capacity and the acquisition of capital goods

In 2006, Tecpetrol joined the ProPymes Program, and incorporated its SME supplier companies, beginning with 15 firms. With the construction of facilities in Fortín de Piedra and its subsequent operation, the program grew exponentially, and by the end of 2021 there were a total of 194 SMEs involved, 22% of the total number of companies taking part in the Group's ProPymes Program.



# Evolution of the Tecpetrol ProPymes Program



ProPymes in numbers:  
**194 companies**  
actively took part  
in the Program  
**2,499 hours**  
of online consultancy  
advice  
**9,235 hours** of training

## ProPymes training courses

We adapted the consultancy and training plans so they could be imparted in a fully online format, enabling a greater number of companies from different parts of Argentina to access high-level training, formerly impossible because of the earlier in-person scenario. The consultancy provided is based on the result of the supplier qualification report and the aim is to structure medium and long-term support plans. The emphasis is on providing specific tools to help SMEs develop without compromising their vision, helping them to adopt a strategic approach to teamwork, thus improving overall management.

The Program's training courses are designed to provide solutions tailored to the needs of our SMEs. The ProPymes Training Program was launched in 2008 as a way of and focus on transferring knowledge, best tools and management practices to customer and supplier SMEs working with the Techint Group.

**The training plan contemplates three levels:**

- Directors and Managers
- Middle Management and Supervisors
- Operators and Technicians

ProPymes focuses its action on industrial SMEs and their activity throughout the distribution chain, achieving a direct impact on the development of Argentine industry, specifically on small and medium-sized oil service companies.

In 2021, our training plan included the following courses:

Project Management according to PMI®/PMBOK Best Practices	Introduction to API Q2	Introduction to API Q1 - 1st Edition	Welding inspection specialization
Planning and Operational Management - 1st Edition	Professional Development Year 1	Leadership development	The Successful Family Business
Smart Thinking: overcoming complexity	Diverse decentralized teams	Advanced Communication Tools	Data Analytics
Negotiation and Conflict Management	Efficient Area Management	Basic HR Training	High impact communication in complex environments
Leadership as a driver of change	Channeling human behavior towards organizational goals	Online workshops Conference on tax issues	PMP training simulator course
Lean Six Sigma Yellow Belt Certification course	Safety culture		



To learn more about our program, click [HERE](#).



## OUR PEOPLE

### A new way of working

The crisis triggered worldwide as a result of the COVID-19 pandemic altered our routines and changed the ways we interact and work together as a team, among so many other things. Everybody, throughout all the areas in the company, was affected, as much those who were tasked to work from home as those who continued in-person at operations due to their role as essential personnel.

The new post-pandemic scenario meant devising a new way of working centered on speedy

We rethought  
our **processes,**  
**leadership, style**  
and **values.**

decision-making processes, from performance evaluation and development, to training strategies, workspaces and effective communications to raise the awareness of internal audiences about individual care and how to prevent contagion.



## Relevant SDGs:






This involved a different way of working marked by two factors: flexibility, and a healthy work-life balance.

In order to better adapt to these new demands without undermining our competitiveness, we identified nine fundamental behaviors as the drivers for this adaptation. Their consideration and implementation had an impact on the business, on our teams and on us. Having identified these behaviors, we started to merge them gradually

into each process, seeking to change the mindset from senior management to junior trainees, so that everyone could focus on the same premises.

The extraordinary motivation and effort shown by all personnel is a source of pride for the Company, as even in the times of greatest uncertainty, they worked untiringly to guarantee the continuity of operations and adapt to new work arrangements.

- 1  Improve agenda management and priority setting
- 2  Encourage the adoption of new technologies.
- 3  Foster a collaborative work environment.
- 4  Reinforce a culture that actively promotes continuous learning, innovation and an entrepreneurial spirit.
- 5  Strengthen employee accountability and autonomy in new work settings.
- 6  Be agile in taking decisions, organizing processes and optimizing the work agenda.
- 7  Reinforce a culture that recognizes and gives constant and frequent feedback.
- 8  Stimulate leadership skills based on active listening and empathy.
- 9  Encourage healthy behaviors aimed at preserving the well-being of all team members.

## WORKPLACE CLIMATE

GRI 103-1, 103-2, 103-3, 401-1, 401-2, 401-3, 404-3  
Material topic: Employment

### Workplace climate

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

We developed a work dynamic centered on content and objectives rather than time-based dedication, making entry and exit hours more flexible, and allowing anybody who can and so wishes, to work from home for a specified number of days per week.

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

In the case of maternity and paternity leave, we offered parents flexible reincorporation schemes, gave them a gift for the birth of their child, and offered them the option to access a special loan. 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, making their working schedule a healthier experience. We worked closely with the IT sector to solve ensure connectivity.

### Maternity and paternity leave 2021

By gender	Female	Male
People who took leave	5	4
Percentage who returned to work	100%	100%
Percentage of people still on the payroll 12 months after returning to work	100%	100%

### Workplace climate survey

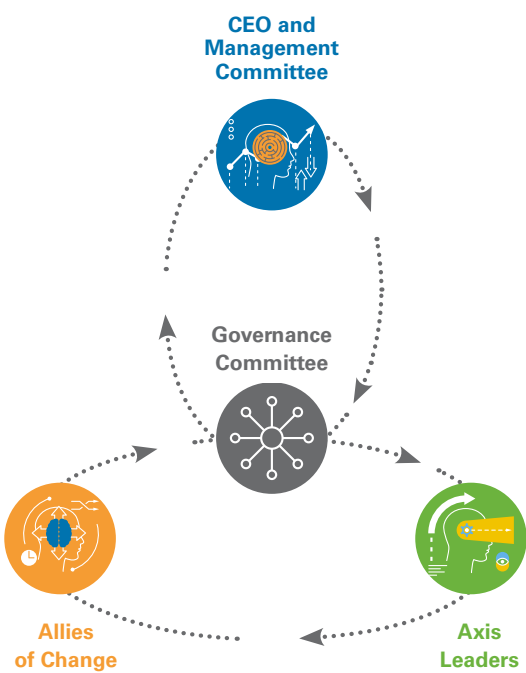
In 2021, to reinforce our commitment to our people and ensure that team concerns and suggestions are properly addressed, we held a global workplace climate survey. Specific questions were asked about people's engagement and views about work priorities in their area. Their responses gave us the opportunity to develop action plans for teams at an individual and general level throughout Tecpetrol to strengthen engagement.

	<b>803</b>	<b>Participants</b> 87% response rate
	<b>24</b>	<b>Questions</b>
	<b>1,418</b>	<b>Comments</b>

Wellness and flexibility:  
being close  
to our people

The results revealed a wide range of strengths and areas of opportunity for the Company. The area with the highest scores was about the sense of purpose each employee has about Tecpetrol's mission. This was followed by the value of people's safety as a priority, as well as people's sense of belonging to the Company, recommendations for work at Tecpetrol and confidence in the Company's leadership. Likewise, areas for improvement were detected in communications, supervision, and the recognition afforded to the work people do within the Company, along with the need for more training opportunities and salary compensation.

In 2022,<sup>23</sup> we selected the actors who would lead Tecpetrol's cultural transformation, creating a Governance Committee of seven members to take decisions about proposals made both by the Allies of Change (Departments and Regions) and the Axis Leaders, and to follow up and decide on action plans to be introduced. A Cultural Transformation Department was also created to drive this new approach to managing the workplace climate.



These processes are integral to a comprehensive value proposal deployed at a local and global level to identify the needs of teams and people and enable Management to design and implement projects for improvements.

<sup>23</sup> The actions taken after the climate survey apply to the entire universe of Tecpetrol employees, including those in Spain, for example.





## Professional development

The professional development of our teams is another key factor driving Company growth strategy (as well as talent attraction, retention and training). Encouraging people's personal development is one of our core values and there are processes in place to make this happen.

As a general internal development policy, the Human Resources area first considers personnel working in the area where the vacancy arises, and then evaluates local external staff. In each selection process, we guarantee data confidentiality and transparency when providing feedback to each person interviewed. Our internal procedures are many, such as, for instance:

### *People Review*

During 2021, we overhauled the processes used to map out people's career plans, designed as a talent management tool. The People Review system is a key instance that enables us to analyze what positions our talent currently occupies.

In turn, this allows us to plan where we want them to be and for how long. Thanks to the reformat of these processes, we obtained in-depth knowledge of each specific case, allowing us to design and update their development plan for the following year, taking into account the succession chart for key positions and our strategic people's career plans.

### *Staffing*

We created a Staffing Committee as part of the People Review system to promote and encourage the development of in-house talent, by planning and creating movements that are mostly internal. The Committee is made up of our Human Resources executives who meet fortnightly to review open positions and upcoming vacancies. Their remit is to analyze the profiles sought, cross-referencing these with personnel information collected during internal processes, such as performance reviews, the People Review and development talks, among others.



### Deepening our Technical Skills Model

The assessment of the technical skills required for each position is essential input to ensure an optimum level of work with the commensurate safety standards, as well as to identify any training gaps between the person's knowledge and the skills that the position requires. In 2021, we held a new benchmarking exercise in the Exploration and Development area, to develop new skills and mastery level matrices for our most recent project in Fortín de Piedra, Neuquén.

In 2021, 53% of searches were covered with own talent, identified by the Staffing Committee.

### Performance Evaluation Process

We continue to deepen this process, adapting it to the online conditions inherent to the new context. We managed to make it efficient and effective, and it dovetails not only with the new skills demanded by talent management, but also with new methodologies allowing us to interact more frequently with people.

We were able to increase compliance levels throughout our performance evaluation process, achieving the participation of over 50% of our workforce in the prelaunch workshops where we reviewed the stages in the process, providing tips and advice as well as feeding into our feedback and development culture.

Our Training and Development area completed a process during which we evaluated people in Argentina, Uruguay, Ecuador, Colombia, Peru, Mexico and Venezuela.

In 2021, 147 people were incorporated to headcount positions<sup>26</sup>

Performance evaluation	2021 <sup>24</sup>	2020 <sup>25</sup>
By gender		
Female	100%	75%
Male	100%	85%
By job category		
Director and/or manager of functional area	100%	69%
Middle management	100%	98%
Professionals/specialized technicians	100%	88%
Employees/operators/administrative employees/assistants	100%	63%

<sup>24</sup> Proportion of total employees for each category. Includes the evaluations carried out between July 2020 and June 2021, of the payroll of active employees as of May 31, 2021, and their classification by job category and cluster. Not considered in the calculation: young professionals, interns, people joining the company after April 1, 2021; people on leave without pay for longer than six months; private oil staff; Management personnel, as these are considered on the confidential payroll. Cluster 5 and Audit and Communications areas managed by DIRHU, OT.








<sup>25</sup> Proportion of staff subject to evaluation of staffing as of June 30, 2020 (date of the evaluations).








<sup>26</sup> This refers to staff making up part of Tecpetrol's own workforce excluding contracted/outsourced employees and part-time apprenticeships/interns.

### Bringing new talent on board

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

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

New hires <sup>27</sup>	2021		2020	
By gender	Number	Proportion <sup>28</sup>	Number	Proportion
Female	36	17.3%	15	8%
Male	111	15.3%	32	4%
By age				
Under 30 years	42	31.8%	20	14%
Between 30 and 50 years	96	14.1%	26	4%
Over 50 years	9	7.3%	1	1%-
By region (country of work)				
 Argentina	69	10.8%	37	6%
 Colombia	38	55.9%	7	16%
 Mexico	21	14.6%	3	2%
 Venezuela	0	0%	1	26%
 Ecuador	18	24%	-	-
 Uruguay	1	25%	-	-
 Peru	0	0%	-	-
<b>Total hires during the period</b>	<b>147</b>	<b>15.7%</b>	<b>48</b>	<b>5%</b>

Rotation <sup>27</sup>	2021		2020	
By gender	Number	Proportion <sup>29</sup>	Number	Proportion
Female	12	5.8%	40	21%
Male	43	5.9%	132	18%
By age				
Under 30 years	18	13.6%	33	23%
Between 30 and 50 years	32	4.7%	110	16%
Over 50 years	5	4.1%	29	25%
By region (country of work)				
 Argentina	37	5.8%	92	14%
 Colombia	1	1.5%	27	62%
 Mexico	12	8.3%	28	18%
 Venezuela	0	0%	-	-
 Ecuador	4	5.3%	25	32%
 Uruguay	1	25%	-	-
 Peru	0	0%	-	-
<b>Total rotation during the period <sup>30</sup></b>	<b>55</b>	<b>5.9%</b>	<b>172</b>	<b>19%</b>

Below is the proportion of senior executives hired from the local community:<sup>31</sup>

Country	2021	2020
 Argentina	<b>93%</b>	<b>94%</b>
 Colombia	<b>40%</b>	<b>67%</b>
 Ecuador	<b>43%</b>	<b>38%</b>
 Mexico	<b>40%</b>	<b>38%</b>
 Venezuela	<b>100%</b>	<b>100%</b>

<sup>27</sup> Hires and turnovers of employee numbers as of December 31, 2021 corresponding to the headcount (all people in the full-time employ of Tecpetrol, excluding outsourced employees and part-time educational practices). The following are also excluded: transfers between companies when the destination company also belongs to the Tecpetrol Group, and the resignations of expatriates following postings.

<sup>28</sup> Hiring rate: HC Contracts/ HC as of 31/12/2021 (for each segment).

<sup>29</sup> Rotation rate: Layoffs HC/HC as of 31/12/2021 (for each population segment).

<sup>30</sup> 14% were reinstated during 2021 (24 of the 172 people dismissed in 2020 were reinstated in 2021).

<sup>31</sup> Calculated as Top Executive/Top Management (Clusters 3 and 4) with the same nationality as the country of work ("Local").

GRI 102-8, 102-41, 103-1, 103-2, 103-3, 405-1

Material topic: Diversity and inclusion

## Diversity and inclusion








### Payroll profile

In line with the company's mission and values, Tecpetrol is constantly renewing its pledge to encourage professional development, enhance its value proposition to attract and retain talent, and ensure a healthy and safe environment for everyone. We are a team of 934 employees distributed throughout seven countries, with the following characteristics:





## Payroll diversity<sup>32</sup>

Category	Division	Director and/or managers of functional area		Middle management	
		Quantity	%	Quantity	%
Gender	Male	101	85.6%	107	80.5%
	Female	17	14.4%	26	19.5%
	Total	118	100%	133	100%
Age group	Under 30 years	0	0%	0	0%
	30 to 50 years	70	59.3%	115	86.5%
	Over 50 years	48	40.7%	18	13.5%
	Total	118	100%	133	100%
Region (country of work)	 Argentina	91	77.1%	84	63.2%
	 Ecuador	6	5.1%	16	12.0%
	 Mexico	12	10.2%	22	16.5%
	 Colombia	5	4.2%	11	8.3%
	 Venezuela	3	2.5%	0	0%
	 Peru	0	0%	0	0%
	 Uruguay	1	0.8%	0	0%
	Total	118	100%	133	100%
Location	At central office	85	72.0%	52	39.1%
	Employees at fields	33	28.0%	81	60.9%
	Total	118	100%	133	100%
Contract type	Indefinite	116	98.3%	131	98.5%
	Fixed	2	1.7%	2	1.5%
	Total	118	100%	133	100%

<sup>32</sup> Data as of December 31, 2021, corresponding to the Headcount (all full-time employees of Tecpetrol's own staff, excluding outsourced employees and part-time educational practices). Categories considered: Director and/or manager of functional area

(\*) Including Director, General Director, Vice President, Advisor and Managerial staff (corresponding clusters) / Middle Management categories: Including Managerial, Senior Professional, Professional Employee, Employee and Technician

Professionals / specialized technicians		Employees / operators / admin/ assistants		Consolidated 2021		Consolidated 2020	
Quantity	%	Quantity	%	Quantity	%	Quantity	%
339	72.1%	179	84%	726	77.7%	663	79.3%
131	27.9%	34	16%	208	22.3%	173	20.7%
<b>470</b>	<b>100%</b>	<b>213</b>	<b>100%</b>	<b>934</b>	<b>100%</b>	<b>836</b>	<b>100%</b>
117	24.9%	15	7%	132	14.1%	111	13.3%
333	70.9%	161	75.6%	679	72.7%	617	73.8%
20	4.3%	37	17.4%	123	13.2%	108	12.9%
<b>470</b>	<b>100%</b>	<b>213</b>	<b>100%</b>	<b>934</b>	<b>100%</b>	<b>836</b>	<b>100%</b>
290	61.7%	171	80.3%	636	68.1%	588	70.3%
50	10.6%	3	1.4%	75	8%	66	7.9%
77	16.4%	33	15.5%	144	15.4%	140	16.7%
46	9.8%	6	2.8%	68	7.3%	31	3.7%
1	0.2%	0	0%	4	0.4%	4	0.5%
3	0.6%	0	0%	3	0.3%	3	0.4%
3	0.6%	0	0%	4	0.4%	4	0.5%
<b>470</b>	<b>100%</b>	<b>213</b>	<b>100%</b>	<b>934</b>	<b>100%</b>	<b>836</b>	<b>100%</b>
197	41.9%	35	16.4%	369	39.5%	338	40.4%
273	58.1%	178	83.6%	565	60.5%	498	59.6%
<b>470</b>	<b>100%</b>	<b>213</b>	<b>100%</b>	<b>934</b>	<b>100%</b>	<b>836</b>	<b>100%</b>
452	96.2%	205	96.2%	904	96.8%	824	98.6%
18	3.8%	8	3.8%	30	3.2%	12	1.4%
<b>470</b>	<b>100%</b>	<b>213</b>	<b>100%</b>	<b>934</b>	<b>100%</b>	<b>836</b>	<b>100%</b>

profiles (with the corresponding clusters for each case) / Professionals - Specialist technicians: Including the Professional Employee, Young Professional, Professional young person, Senior Professional, Technician, Ordinary Educational Intern

(with the clusters corresponding to each case) / Employees - operators - administrative workers - auxiliaries: Including Employee, Technician, Cadet, Driver and Secretary profiles (with the corresponding Clusters for each case).

Freedom of union association

Our staff enjoys freedom of association and collective bargaining, meaning the right to join a labor organization or the governing bodies of trade associations. Through our Labor Relations Department, we maintain a fluid dialogue with the general secretaries and members of the executive commissions of the unions that have agreed to the collective labor agreements applicable to our personnel. In addition, we have a structure of local managers in the area who are responsible for direct communication with union representatives. Collective bargaining and other agreements discussed with the unions include health and safety issues.

People covered by collective agreement in Argentina <sup>33</sup>		
	2021	2020
Percentage of people in collective bargaining agreements	33%	34%

<sup>33</sup> The other countries where we operate do not have union associations.

Diversity adds value

The +d program was launched in 2019 as a way of guaranteeing the plurality of voices within the Company, with the firm 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 online formats, allowing us to connect employees from different regions, fostering greater networking and a sense of belonging to Tecpetrol.

After its first two years, the program has broadened its scope by incorporating two new axes: **Disability** and **LGBTQ+**. In 2021, the +d program was a finalist in the [WEP Awards](#) "Empresas por ellas", promoted by UN Women, the International Labor Organisation, and the European Union. In addition to adhering in 2019 to the Women's Empowerment Principles (WEPs), promoted by UN Women and in alliance with the United Nations Global Compact, Tecpetrol welcomed the UN Women team that reviewed the Company's actions, identified opportunities for improvement and suggested some adjustments.

Another milestone achieved this year was the first prize won by Tecpetrol in the contest organized by the Mexican "[INcluye](#)" forum for best Diversity and Inclusion practices, among over 50 initiatives presented by Mexican companies. The +d program was selected as the winner on the basis of criteria such as its impact, how it integrated with the organization's strategy, internal and external reach, the innovation achieved in scope, objective and implementation, and the participation and involvement of employees and leaders in the practice.



Some +diversity program impact numbers



Mentoring for  
**27 women.**

**90 hours** of accompaniment  
provided for dual careers for  
**11 expatriate/localized couples.**

**15,600 hours** in  
**18** unconscious bias  
**workshops.**

**15 participants**  
in the Maternity  
Coaching program.

**23 participants** in the  
launch of the program  
Paternity Coaching 4.0.

**6** generational **workshops**  
for **218 collaborators.**

**2** intergenerational **webinars**  
for **200 employees.**





Based on this premise, during 2021 we developed the following initiatives:

**1. We continued with the maternity coaching program** as a space for future mothers and those returning from maternity leave, to share concerns and receive support and accompaniment. The objective is to accompany them during their pregnancy until they return to their jobs, and support them in the development of their careers.

**2. We launched two new axes:** the **LGBTQ+** axis led by a group of Allies for Change, supported by a review of procedures with an inclusive perspective, and the **People with disabilities** axis. The first was launched as part of the +d program's two-year anniversary, an event which centered on a sexual diversity orientation talk introduced by CEO Ricardo Markous, with a view to promoting an organizational culture open to sexual diversity and emphasizing the concept of non-binary gender identity.

The second axis was launched on December 3, 2021, on the International Day of Persons with Disabilities, to talk about the concepts surrounding disability, discuss inclusive communication, and provide tools for development, all of which is within our reach as part of our remit to be an inclusive company.

**3. We continued throughout the year with our unconscious bias training courses and intergenerational workshops** to enrich our staff.

**4. We developed a new online format for our mentoring program** to support the careers of Tecpetrol women and give them tools to help them access positions of higher hierarchy. This year we expanded the program by creating the opportunity to team up with mentors from other regions. Twenty-seven women from different countries took part, and reported that it was an enriching experience for both roles. Next year we intend to add non-Argentine male talent.

**5. We held two editions of our Paternity 4.0** program, a space for support and accompaniment for new or future fathers, encouraging them to exchange ideas and thoughts about their role as fathers and professionals, among other topics. This space is also an opportunity to encourage co-responsibility between parents as caregivers during the first years of their children's lives.

**6. We continued with our Lean In Together Circles,** and coordinated four groups at Tecpetrol Global level. Our key achievement was that in each group, there were co-leader employees, something that received a positive reception, since the company's willingness to provide time and space for these conversations to take place is highly valued.

**7. On January 1, 2021, we set up our Diversity Governance Committee** to manage the +d program, comprising six members, three men and three women, of three different nationalities, whose composition will be partially renewed every year. Its main responsibility is to define action plans and ensure the implementation of processes and policies aimed at guaranteeing a more inclusive culture and monitoring the evolution of key indicators.

As of December 31, 2021 and 2020, Tecpetrol had four workers with disabilities, representing 0.42% and 0.47% of the workforce, respectively.



## Training for internal talent

During 2021, we continued to consolidate our talent development program by offering training courses. Broadening and enriching people's personal and professional growth horizons is intrinsic to our culture, something we put into practice through our corporate Tecpetrol University.

Under the motto "Be the protagonist of your learning path", we adapted our offer to include online and hybrid resources, enabling us to continue with all the scheduled corporate training and in-company courses, according to the 2021 agenda.

For more information about Tecpetrol University, see [HERE](#).

We incorporated new training modalities on our LinkedIn Learning content platform, housing some 30,000 different learning resources for technical, management and IT training, so that users can craft their own learning path by themselves, choosing the resources according to their needs and preferences. We also upgraded the learning platform to improve user browsing experience when checking out the options in the training offer.

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





## Average hours of training<sup>34</sup>

Year	2021		2020	
	Hrs.	Average	Hrs.	Average
<b>By gender</b>				
Female	9,694	46.83	7,747	44.78
Male	35,256	48.43	28,144	42.45
<b>By job category</b>				
Director and/or managers of functional area	316	22.58	232	2.11
Middle management	3,261	31.06	3,616	26.01
Professionals/specialized technicians	23,599	54.00	19,404	46.31
Employees / operators / administrative / assistants	17,773	46.90	12,641	76.15
<b>Total training hours during the reporting period</b>	<b>44,950</b>		<b>35,892</b>	

## Training content and format

Year	2021		2020	
By type of content	Hs	%	Hs	%
Technical	11,723	26	12,050	34
Managerial	7,617	17	7,557	21
Safety	18,128	40	10,862	30
Systems	2,055	5	896	2
Languages	5,358	12	4,491	13
Diffusion	69	0	36	0
<b>By training format</b>				
In-person	16,294	36	3,573	10
Virtual	28,656	64	32,319	90
<b>Total training hours during the reporting period</b>	<b>44,950</b>		<b>35,892</b>	

<sup>34</sup> Calculated as total hours of training over total employees as of December 31, 2021, for each job category. Interns are not considered in the calculation. Operations included: Argentina, Colombia, Mexico, Ecuador, Peru, Venezuela and Uruguay. Categories considered:

- Director and/or functional area managers: includes personnel with a Director profile.
- Middle Management: includes personnel with a Managerial profile
- Professionals/specialized technicians: includes those with a Senior Professional profile.
- Employees/operators/administrative employees/ auxiliaries: considers professionals, young professionals, technicians, and professional employee profiles as well as other employees.

The actions and initiatives that we implemented during the 2021 cycle were:

### Managerial training courses

- **Implementation of online modality:** language training, in-company training and corporate training courses were adapted to online and hybrid modalities without interrupting our people's learning perspectives, enabling us to expand the coverage rate by including participants from all our operations. The training courses associated with our performance evaluation process were also held in online format as part of the webinar on "Enhancing our capabilities to give feedback", and in the workshop on "Identifying potential".



For the first time, simultaneous inductions were run for all new hires as part of the onboarding process.

- **Leaders in Action:** We continued with the programs to streamline the profile of Tecpetrol Leaders, in particular one based on the structure, concepts and definitions of the "Leading Tecpetrol" program, to ensure that all second-line professionals in leadership roles have the necessary knowledge and basic skills to perform efficiently in their position. Ten workshops were held for 44 participants from the Northern Region, structured into five modules: Introduction to Leadership in Tecpetrol, Conversational Skills for Leaders, Development Strategies and Conversations, Managing Emotions at Leader Level, and Managing People and Teams.

- **Launch of the Itineraries and Webinars Cycle:** We continued to support our people by providing emotional accompaniment through a cycle of monthly talks about the new way of working that emerged during the pandemic. We held eight webinars for 366 employees. To accompany this process, we also launched a number of itineraries as part of our asynchronous training, offering educational resources such as videos, podcasts and articles. Throughout this cycle, we worked on specific topics such as: Collaborative work and shared vision, Remote work, Project management, and Agile leadership.

### Technical training courses

- During 2021, we resumed our technical training courses, and 26% of all the training provided was technical in nature. These training courses underpin our transformation and growth strategy by offering a broad range of content, methodologies, tools and instructors, all designed to help meet the Company's strategic objectives.
- We launched the technical Artificial Lifting System Program on the Tecpetrol University platform for all employees at our operations. The idea is to provide them with a global vision of the main Artificial Lifting Systems (ALS) used in Tecpetrol's operations, as well as impart concepts related to the productive potential of wells and the need to use the ALS. The course lasted 44 hours, divided into 11 sessions of 4 hours each, and was attended by 23 employees.
- IFM-Solutions - Elearning: We introduced a new tool for a series of elearning tutorials developed by IFM-Solutions, a consultancy specializing in the oil & gas sector. 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 the industry, such as Prosper, MBAL, Sahara, GAP, PVTP and Openserver, using explanatory videos, texts and practical case studies.



- Training plan based on the Skills Management Model: Our management model defines specific skills sets for each job position and the standard to be achieved for each one by the person in the role.

The plan is a practical tool designed to close the gaps identified in the process to evaluate people's technical skills and also offers the opportunity to work on management competences as a way of enhancing professional development.

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

## Health & Safety training

The main thrust of all our training is safety, as human resources are the top priority for the Company and orient the actions taken to develop a uniquely health and safety-centered culture.

Our interactive employee training program was run as an elearning course, and during 2021, we gave 18,128 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 on the COVID-19 prevention measures implemented during the period. These numbers reveal a significant improvement (a 70% increase) with respect to the previous period.

We continued with the **Safety Leadership Program** designed to strengthen our health and safety culture by fostering specific behaviors and commitments that are gradually merging into our organizational culture. In 2021, we held training courses in this area for contractors, carrying out 48 face-to-face workshops at operations in Mexico, Colombia, Ecuador and Argentina. These were attended by 825 people, leading to 519 actions, between commitments and action plans, bolstering our health and safety culture.





# OCCUPATIONAL HEALTH AND SAFETY

Material topic: Health and Safety at Work

GRI 102-11, 103-1, 103-2, 103-3, 403-1, 403-2, 403-7, 403-8

## Integrated Management of Health, Safety, and Environment <sup>35</sup>

Caring for the environment, and protecting the health and physical safety of employees and third parties, have always been our priorities. In 2021, the global health crisis placed this commitment front and center, profoundly altering the way we work and relate to each other.

The ability to successfully adapt to these changes was dependent on a solid Health, Safety and Environment (HSE) management system underpinning all the company's activities throughout its entire business life cycle and covering all employees and contractors working at our facilities.

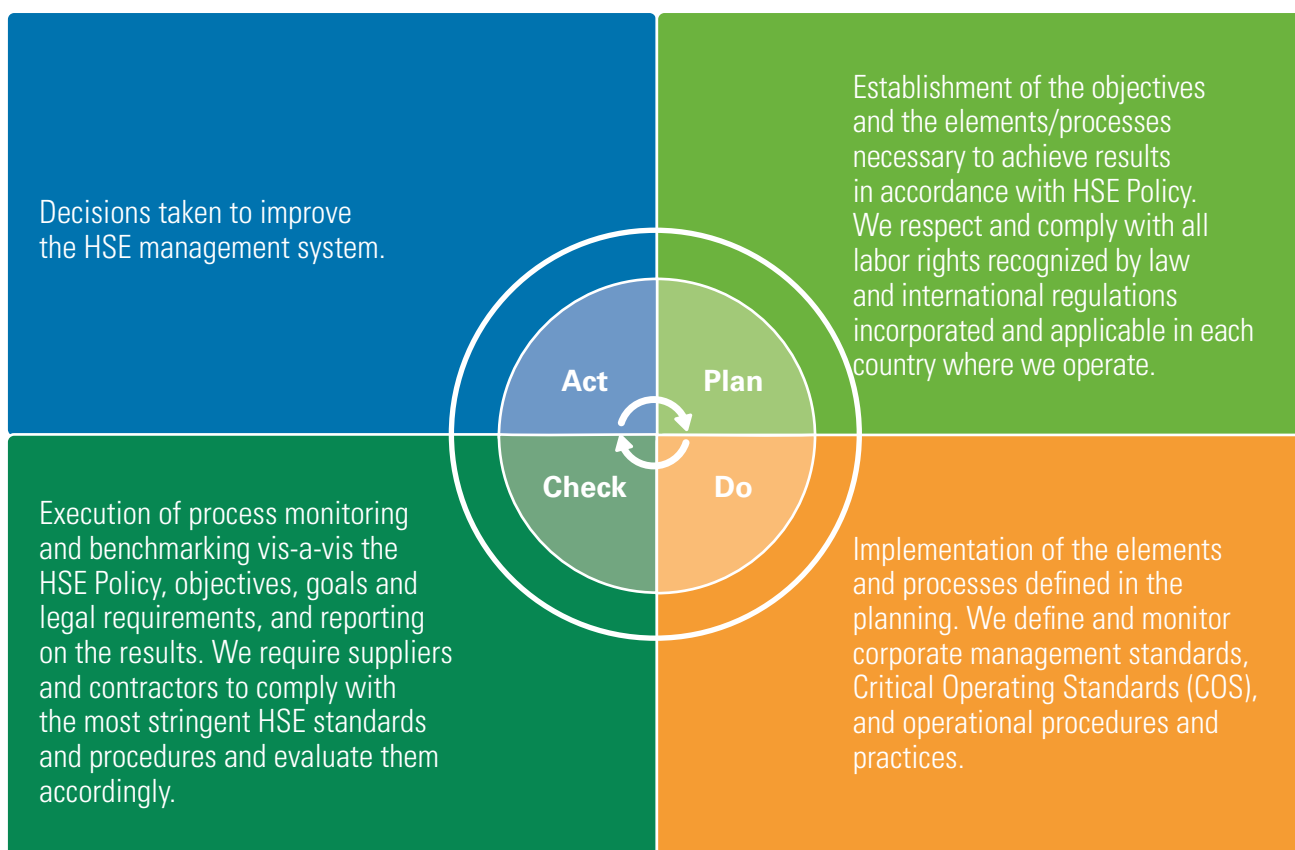
The strength of our HSE system is that it has been designed to enable operations to set and achieve performance objectives by appropriately managing

**We are committed to responsible practices**

the risks and impacts associated with their activities, factoring in the implementation of the appropriate operational controls at each site. Over the years, this management system has been consolidated as the most effective way of quickly identifying and responding to critical situations.

The continued effects of the pandemic in countries around the world presented an opportunity for the system to showcase its ability to adapt operational performance to the new conditions, following, once again, a process of continuous improvement, consisting of four stages:

<sup>35</sup> See our Environmental Stewardship approach in Chapter 9.2.



Relevant SDGs:



## Elements of the HSE Management System



GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-4, 403-9

### 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.



## The pillars of safety

### Prior meeting

Identification of task-related hazards.

### Safe Work Analysis (SWA)

Hazards are identified and risks assessed to determine the necessary safety measures.

### Process risk analysis

Before building or modifying a facility, we identify the hazards and control the risks involved in the process.

### Report and investigation

By identifying the root causes of an incident and/or accident, we can establish corrective and preventive actions.

### Terrain inspections

This enables us to detect whether opportunities for improvement can be made to operational controls.

### Behavioral observations

We identify which actions are substandard in order to avoid them, and specify safe actions in order to incorporate and reinforce them.



## Relevant initiatives during 2021

- We completed a process to standardize, review and update the rules and procedures making up the HSE Management System, including specific process-safety aspects.
- We launched a new platform in April 2021 to handle all HSE aspects company-wide. This enabled us to improve how we analyze the information obtained, identify trends and roll out specific action plans to correct any deviations found.
- We implemented a new accident and incident investigation methodology, based on the conceptual model of barriers (prevention and mitigation), in line with the latest international analytical approach. This methodology is an integral part of the new HSE platform. Over 15 training sessions were held for Tecpetrol employees on how to use it.
- We continued work on the process to migrate area emergency response plans to the new international Incident Command System methodology.
- A series of actions were taken to continue improving contractor alignment at operations in compliance with our HSE standards.
- We continued with our safety culture program, launched the previous year, and run by an international consultancy firm. This year, the focus was on the contractors working at the company's facilities. Forty-eight workshops were held throughout Tecpetrol's operating areas, involving over 850 people from contractor companies. The participation level and the degree of satisfaction of the attendees were highly encouraging. As was the case the previous year, the program was directed and overseen by senior management.
- We held 54 studies on process risk analysis at new facilities or locations where modifications are being made.

In terms of HSE management, we achieved the following milestones at our operations:

### Argentina

Various initiatives were deployed to reduce risks at operations; for example, in the Neuquén Basin fields, peak energy demands during winter coupled with the sales commitments agreed (reaching historic production highs in the Fortín de Piedra fields), required the entire operation to operate with extreme efficiency, meeting stringent health and safety standards despite the difficult context of the pandemic. The excellent level of safety planning and teamwork shown during the year's five repair and maintenance shutdowns at both conventional and unconventional fields is worthy of note, as is the unwavering support of the contractor companies accompanying our efforts to meet critical standards, ensuring that there would be no incidents. Developing these fields placed high demands on our resources, with four drilling teams and two fracturing sets working in parallel, and where our culture of safety and regulatory compliance was very much in evidence.

At the Aguaragüe field (Northwest Basin) we achieved the milestone of 3,000 days without a lost-time injury (LTI), demonstrating the strength of health, safety and environment values for Tecpetrol and its contractors.

In the San Jorge Gulf fields, we were proud to be a signatory to the Agreement for Mutual Assistance in Emergencies, together with other operators in the basin.

### Ecuador

In the Libertador Block (Ecuador), we achieved certification of the ISO 45001 (Health and Safety) and ISO 14001 (Environment) standards, highlighting the fact that there were no non-conformities in the final certification audit carried out by an external entity.

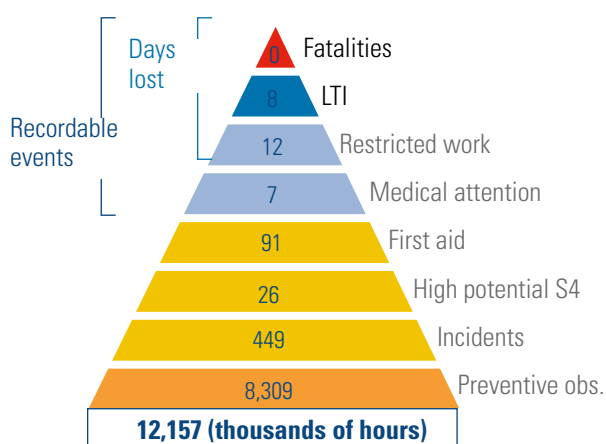
### Colombia

In the Pendare field, the safety management plan developed for the final stages of construction and commissioning of the new Petroleum Treatment Plant (Central Processing Facility) should be highlighted, as the process focused on reviewing safe design conditions for operations, strengthening technical and HSE training for all operating personnel, and developing specific operating procedures. These were all crucial steps to ensuring the safe start of operations at this facility.

### Mexico

During 2021 at the Misión Block, efforts focused on achieving compliance with the legal requirements and commitments established by the Mexican Energy and Environment Security Agency and the National Hydrocarbons Commission for the work programs authorized, as these were achieved without any violations of HSE regulations.

During 2021, no fatal or serious accidents were recorded. A total of 27 recordable events occurred, and eight were lost days.



We had no recordable accidents involving own personnel for the second year running.

Accident rate	2021	2020	2019
Lost Time Injury Frequency Rate (LTIFR) <sup>1</sup>			
Own personnel	0	0	0.29
Contractors	0.92	0.49	0.75
<b>Global</b>	<b>0.66</b>	<b>0.32</b>	<b>0.65</b>
Recordable Incident Rate (RIR) <sup>2</sup>			
Own personnel	0	0	0.88
Contractors	3.12	1.81	1.67
<b>Global</b>	<b>2.22</b>	<b>1.18</b>	<b>1.49</b>
Hours worked (in thousands of hours)			
Own personnel <sup>3</sup>	3,498	3,222	3,402
Contractors <sup>4</sup>	8,660	6,061	11,986
<b>Global</b>	<b>12,157</b>	<b>9,284</b>	<b>15,389</b>

<sup>1</sup> LTIFR: Number of accidents with lost days\*1,000,000/ labor hours worked

<sup>2</sup> RIR: Number of recordable accidents\* 1,000,000 / labor hours worked

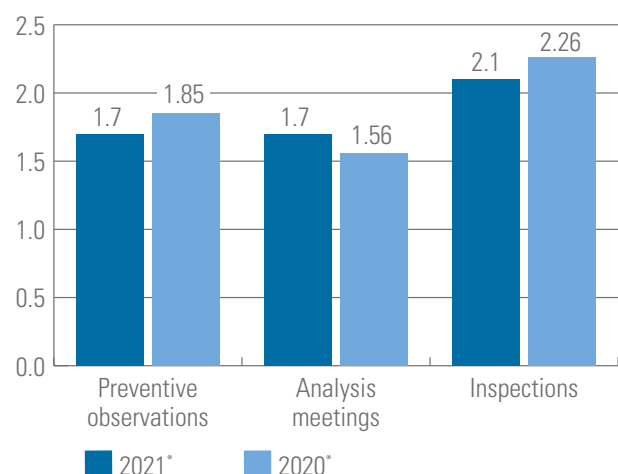
<sup>3</sup> Own employees: Estimate based on the total number of employees as of 12/31 and average monthly hours worked.

<sup>4</sup> Contractors: Includes 0.15% of estimated hours.

As part of our safety management routines, we proactively perform preventive observations of unsafe acts, holding meetings to analyze these observations and inspections. These may be general or geared towards safe work analysis, work permits, or lockout and tagout routines (LOTO). They also include the so-called "Safe Hour" sessions that take place every Thursday from 11 am to 12 pm (local time) on each operational front.

Actions	2021	2020	2019
Preventive observations	8,309	8,602	14,941
Analysis meetings	8,019	7,229	8,048
Inspections	10,394	10,474	11,701

An analysis of the indicators based on the number of activities per person showed that, in 2021, there was an improvement in meetings matched by a decrease in the record of preventive observations, largely because of limited access to the camps and worksites because of COVID-19 regulations. As for inspections, these remained at the same level as the previous year.



\* Data based on 2,000 labor hours per person per year.

In each period, Management defines the annual objectives and goals in line with those set in the HSE indicators, for Tecpetrol at consolidated level and for each operation. These goals are then applied to each employee based on their role. Compliance with the company's annual safety objectives (both the accident rate and the proactive indicators) are enumerated in the list of objectives drawn up by each Tecpetrol employee as part of their annual evaluation process.





## Looking after people's health

Taking into account the lessons for success learned since the beginning of the pandemic, coupled with our steadfast goal to reduce our people's exposure, we continue to implement our "COVID Protocol" program throughout our work areas (operations, maintenance, works, drilling rigs). The objective, as always, is to mitigate the risks of contagion throughout our facilities, and we have obtained excellent results.



### 15 COVID-19 prevention operating procedures

- 1** 
**New organization and labor scheme**  
 By independent work cells
- 2** 
**Personnel transport**  
 Staff transfer vehicles at 50% capacity
- 3** 
**Access to worksite**  
 Strict controls on entry to worksites
- 4** 
**Temperature checks**  
 Daily checks of people's temperature and symptoms
- 5** 
**Lockdown (preventive health isolation)**  
 For staff with close contact with those with symptoms
- 6** 
**Dining hall schedules**  
 By shift and meal
- 7** 
**Personal hygiene**  
 Specific measures and provision of products
- 8** 
**Mental health and recreation**  
 Psychosocial support
- 9** 
**Communications**  
 Communications management
- 10** 
**Accommodation**  
 Modules as per work cells
- 11** 
**Cleaning and ventilating work places**
- 12** 
**Responding to a suspected case of COVID-19**  
 Implementation of specific protocols
- 13** 
**Stakeholders map**  
 Identification, priorities and fluid communications
- 14** 
**Business Continuity Plan**  
 We formed local committees
- 15** 
**Back to the office**  
 Staging people's presence and improving office facilities

The entire prevention strategy was dynamic and flexible, in line with the recommendations issued by different national and international health organizations. As the case numbers and overall situation improved in each of the regions where we operate, we started to relax some of the measures.

Each operating area of Tecpetrol has its own Medical Service where staff are trained to provide primary care and initial patient stabilization in the event of a health-related event or accident. In more remote locations, we have an ambulance service and occupational doctor, who is in charge of coordinating these services.

During 2021, we continued to hold weekly follow-up meetings, led by General Management, as well as Crisis Committee meetings chaired by the CEO, to ensure compliance with all the care objectives and the stipulated prevention measures.

The internal communications campaign also continued throughout 2021, aimed at making all personnel aware of the necessary measures, emphasizing the importance of vaccination as the principal anti-COVID measure in all the countries where we operate. As a result of this campaign, by the end of 2021, 90% of our own staff had been vaccinated with the full 2-dose scheme.

We implemented a follow-up record of each employee's vaccination status and continued with the annual flu vaccination campaign, ensuring everybody working at Tecpetrol was vaccinated.

Given the preventive nature of our approach to health and safety, we continued to encourage proposals centered on improving health, including physical exercise, recreational activities for the family, and medical check-ups, in addition to a flexible scheme designed to accompany people in areas related to well-being. Lastly, we have nutritionists advising our chefs at Tecpetrol facility dining rooms to ensure our people are offered a healthy range of food choices.

During 2021,  
no occupational  
illnesses were  
recorded at Tecpetrol



At the Lomitas Base in Aguara Güe, we inaugurated a health station. Read the full article [HERE](#).

## ENVIRONMENTAL PERFORMANCE

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## Relevant SDGs:



GRI 103-1, 103-2, 103-3, 201-2

## Energy transition and climate change

Net zero has taken on a prominent role throughout companies worldwide as well as for many sectors committed to reducing their carbon footprint. Decarbonizing, or reducing CO<sub>2</sub> emissions, is seen as critical to better managing Greenhouse Gases (GHGs) and mitigating climate change.

In this context, in October 2020, we set up our Energy Transition Unit, a department faced with the dual challenge of helping the Techint Group's operations on their path to net zero, and diversifying the sources of value generation to incorporate new energy sources. The objective is to create business projects and synergy between the Techint Group's industrial companies as part of work towards a more sustainable future. Tenaris's and Ternium's decarbonization agenda includes a series of challenges, and this Unit has a key role to play in overcoming them and helping to achieve CO<sub>2</sub> emissions-reduction objectives.

The Unit is supported by a team of employees with experience in business development and market analysis, technical staff and a growing network of Techint Group technologists and specialists.

Initially, it will focus on identifying opportunities and executing projects in the areas of lithium, renewable energy sources and carbon capture and storage, where there are synergies with the Company's activity. As a second step, it will seek out opportunities for hydrogen use.

The road to net zero is a long process that involves stages, deadlines and the strong commitment that is a feature of all the Techint Group companies. Part of the company's path towards sustainable growth is based on its relationship with the communities and the protection of the environment as its main priorities.

For the latest news about our energy transition projects, visit our [\*\*Energy Transition website\*\*](#)

### Lithium extraction pilot plant

Tecpetrol is developing a technology for direct lithium extraction (DLE) from brines, an alternative to traditional evaporation methods, in the search for a more industrial and controlled process.

In the last year, the company has built a DLE pilot plant<sup>36</sup> in Olacapato, province of Salta, Argentina, at 4,150 meters above sea level. The pilot plant possesses a brine processing capacity of 500-1000 liters/hour and has been designed to be of a specific size so that, if the tests are satisfactory, it can be scaled directly to an industrial-sized project. A DLE technology module working at optimum capacity can produce some 5,000 tons of LCE (Lithium Carbonate Equivalent). At the time of issuance of this Report, the plant is already up and running.

<sup>36</sup> DLE technology is an adsorption/desorption process, where a selective lithium adsorbent is combined with a simulated moving bed processing system, ensuring the efficient extraction of lithium from brine, with low capital and operating costs and short processing times.





Sharing our

# Techint Energy Transition



**A podcast series about the resources driving the energy system of the future.**

**Lithium:** what it is, where it comes from, what it's used for and what it can do for the energy transition. Our Development Manager for the Lithium Project explains where this resource originates and what role it stands to play in the energy transition.

**To listen to the podcast, click [HERE](#).**

**To read the article, click [HERE](#).**

## Renewable energy sources

In the global energy matrix, renewable energies are responsible for 10%-15% of electricity production, although these proportions vary according to each country's particular conditions and resources. Some countries produce more hydrocarbons and are thus more dependent on fossil fuels while others have a matrix which is 70% hydroelectric. To meet the world's climate change targets, solar and wind power output is expected to double or even triple in the next 10 to 20 years.

Renewable energies are the main motor for net zero, and will be the key driver for this process for the next 20 years. Many are already mature and competitive power sources, able to kick-start the energy transition.

**Renewable energy comes from sources that regenerate or renew themselves naturally, without human intervention, and do not emit CO<sub>2</sub> or greenhouse gases.**



Sharing our

# Techint Energy Transition



**A podcast series about the resources driving the energy system of the future.**

**Renewables:** the principal challenges and benefits, and the part they will play in building the power matrix of the future. **Xavier Ramírez Veliz**, our Project Development Manager, discusses the pros and cons of renewable energy sources.

**To listen to the podcast, click [HERE](#).**

**To read the article, click [HERE](#).**

## Buena Ventura Wind Farm (Parque Eólico Buena Ventura - PEBV)

Following on from this situation, one of the Group's companies (PEBV) is in the initial stages of developing a wind farm with up to 105 MW of design capacity, located in Adolfo González Chaves, province of Buenos Aires, Argentina. As a project spearheaded by Tecpetrol, in November 2021, PEBV was notified by the CAMMESA<sup>37</sup> about the assignment of dispatch priority in the Renewable Energy Forward Market (MATER, in Spanish), for a connection capacity of 100.8 MW. Tecpetrol acted as the project developer and structurer, envisaging the supply of renewable energy to the Tenaris Siderca plant in Campana, which would replace some 50%

of its total power consumption. In 2022, it was sold to the related company Siderca S.A.I.C.

The project's main features are:

Capacity	105 MW
Right of connection to the network	100.8 MW
Net capacity factor	57%
P50 power output	510 GWh/y
Useful life	20/25 years
Date of commercial operations	August 21, 2023

<sup>37</sup> Compañía Administradora del Mercado Mayorista Eléctrico Sociedad Anónima - Administrative Company of the Wholesale Electricity Market LLC.





### Opportunities for hydrogen

Hydrogen can be used in one of two ways: as a raw material in different processes (ammonia production, refineries, steelworks, etc.), and as a fuel. World hydrogen demand currently stands at around 80 million tons, most of which is produced from gray hydrogen processes<sup>38</sup> using fossil fuels, thus emitting GHGs. One of the challenges facing the industry is how to achieve clean production, while another is to find new uses for green hydrogen.

Green hydrogen is produced by water electrolysis and uses renewable energy sources to power the process to separate hydrogen and oxygen molecules making up water, obtaining hydrogen without any type of CO<sub>2</sub> emissions.

“Green hydrogen is the buzzword of the moment. The challenge is to lower costs and focus on areas where it’s the best option.”

**Francisco Grosse,**  
Hydrogen and Carbon Capture Project  
Development Manager

<sup>38</sup> The conventional production method obtains hydrogen from steam reforming natural gas or a hydrocarbon and is a process that emits CO<sub>2</sub>.



Sharing our

# Techint Energy Transition



**A podcast series about the resources driving the energy system of the future.**

**Hydrogen:** different types for the present and future. **Martín Scalabrini Ortiz**, the Corporate Process Design Manager of Techint Engineering & Construction is joined by **Francisco Grosse**, Tecpetrol's Hydrogen and Carbon Capture Project Development Manager for an in-depth discussion on the present and future of hydrogen.

**To listen to the podcast, click [HERE](#).**

**To read the article, click [HERE](#).**

GRI 102-11, 103-1, 103-2, 103-3

## Environmental management (HSE)

The company's environmental policy is developed and stewarded by the Corporate Health, Safety, and Environment Department based in Buenos Aires, Argentina, and the Environment division reports to this Department. The HSE Department is responsible for issuing corporate guidelines indicating best environmental practices to manage

resources and existing risks, and for responding 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, staffed by environmental supervisors and specialized contractors including environmental consultants, waste transporters and garbage handlers, for instance.

**Our work focuses on three essential aspects:**

### **1. Preventive approach**

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, for instance. Our approach to spill prevention includes comprehensive programs to repair or replace old pipelines as well as building containment storage tanks, among others.

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

## 2. 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.

## 3. Responsible management of chemical products

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

GRI 103-1, 103-2, 103-3, 302-1, 302-3, 302-4  
Material topic: Energy efficiency

### Energy efficiency<sup>39</sup>

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

In 2021, we recorded electricity consumption levels (own generation added to acquired power) at those operations managed.

These were mostly sourced from Tecpetrol, of 582,320 GJ (10% less than 2020), mostly sourced from natural gas, although diesel was used in smaller proportions. The decrease is mainly explained by the lower amounts of energy purchased. In 2021, total energy consumption at our operations was 63,244,407<sup>39</sup> GJ (1.24% less than in 2020). 100% of the power consumed within the organization comes from non-renewable sources.

Once again, significantly less energy consumption per production unit was reported at unconventional operations than at conventional ones: 0.66 GJ/m<sup>3</sup> equivalent versus 1.79 GJ/m<sup>3</sup> equivalent (2021).

Energy consumption within the organization (GJ)	2021	2020	2019	2018
Natural gas liquid fuels (gasoil, diesel) from non-renewable sources <sup>40</sup>	63,234,046	64,005,857	64,801,960	64,721,138
Other sources	-	.	27,497	14,079
Consumption of purchased electricity <sup>41</sup>	10,361	32,271	154,091	267,405
<b>Total energy consumption within the organization <sup>42</sup></b>	<b>63,244,407</b>	<b>64,038,127</b>	<b>64,983,547</b>	<b>65,002,623</b>

Conversion factor: 1 KWh = 0.0036 GJ; 1 liter gas oil = 0.04 GJ; 1 liter diesel = 0.039 GJ; 1m<sup>3</sup> natural gas = 0.038 GJ.

<sup>39</sup> The values corresponding to 2020, 2019 and 2018 were restated and revalidated, as previously, total and own electricity generated was added to the consumption of natural gas (reclassifications). Likewise, one area was only reporting its fuel consumption in power plants, so other associated consumption and venting were added to determine energy consumption.

<sup>40</sup> Considerations made for the calculation:

- Liquid fuel consumption includes an estimate of 0.01% of the total value.

- In the case of the Fortín de Piedra site, rented vehicles are not considered, as they do not add any significant value to total fuel consumption.

- An 8.23 km/L performance was considered to calculate fuel in contractor vehicles.

- In the case of the CEP site, the operating time and performance of each piece of machinery were taken into account to calculate fuel used by forklifts and power generators.

- Natural gas takes into account the volume vented.

- Conversion rate 1 liter gas oil = 0.04 GJ; 1 liter diesel = 0.039 GJ; 1 m<sup>3</sup> natural gas = 0.038 GJ.

- Fuels from renewable sources are not included.

<sup>41</sup> Scope: purchased electricity. Conversion factor 1 KWh = 0.0036 GJ.

<sup>42</sup> This includes the consumption of liquid fuels, natural gas and electricity purchased from the grid. Conversion factor: 1 KWh = 0.0036 GJ; 1 liter gasoil = 0.04 GJ; 1 liter diesel = 0.039 GJ; 1 m<sup>3</sup> natural gas = 0.038 GJ.

The intensity of energy use (GJ) per unit produced (m<sup>3</sup> of oil equivalent) fell compared with 2020:

Energy intensity in total energy consumption (GJ/m <sup>3</sup> oil equivalent)*	2021	2020	2019	2018
Energy intensity of the organization <sup>43</sup>	7.15	7.65	7.02	9.77

<sup>43</sup> Calculated as the total energy consumption within the organization (Natural Gas, Gas oil/Diesel and purchased electricity) per unit of production (m<sup>3</sup> of oil equivalent).

As was the case in previous periods, the greatest intensity in terms of energy consumption is reflected in the company's electricity production operations at the

Pesquería Power Plant. In 2021, the process of transforming natural gas into electricity consumed 75.31 GJ/m<sup>3</sup> of oil equivalent, similar to the previous year's rate.

Energy intensity in electricity production at CEP* (GJ/m <sup>3</sup> oil equivalent)	2021	2020	2019	2018
Energy intensity at CEP*	75.31	74.95	75.85	75.36

\*CEP: Central Eléctrica Pesquería (Pesquería Power Plant).

On the other hand, natural gas and oil production activities in 2021 required 1.10 GJ/m<sup>3</sup> eq. compared

with 1.10 GJ/m<sup>3</sup> eq. in 2020, as shown in the following table:

E&P energy intensity (GJ/m <sup>3</sup> oil equivalent)	2021	2020	2019	2018
Energy intensity at E&P	1.10	1.10	1.20	1.66

Most of our energy consumption reduction initiatives are detailed in the section on Energy

transition and climate change.



## Emissions<sup>44</sup>

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 (it is burned off before release, which reduces its warming potential from 28 to 1). This practice is carried out for operational reasons associated with

specific processes, such as well testing, purges and maintenance tasks, among others.

The other source of GHG is fuel combustion, mainly natural gas, and gas oil and diesel to a lesser extent, as these are used in several different industrial processes. The decrease in GHG emissions in 2021 was mainly due to lower fuels use.

Accounting for GHG emissions includes CO<sub>2</sub> and CH<sub>4</sub>; SO<sub>x</sub> and NO<sub>x</sub> gases are not included, and neither are hydrocarbons without methane, nor refrigerant gases. For 2021, Scope 2 emissions were 1,372 tons of carbon dioxide equivalents (TCDE).

Emissions generated	2021	2020	2019	2018
Direct GHG emissions (Scope 1) in TonCO <sub>2</sub> eq <sup>45</sup>	3,518,979.57	3,624,118	3,746,897	3,773,872

It should be noted that estimates differ between operations, based on the calculation used. In this case, for our Mexican operations, we used in situ measurements and emissions factors from our facilities and operations, while for our other concessions, the calculations were based on the

balance of consumption, natural gas venting and liquid fuels consumption. However, when applying the same methodology, the intensity of CO<sub>2</sub> emissions recorded per unit produced was as follows:

Emission intensity (t CO <sub>2</sub> /m <sup>3</sup> oil equivalent)	2021	2020	2019	2018
Intensity ratio <sup>46</sup>	0.40	0.43	0.40	0.57
Electricity	4.23	4.20	4.27	4.23
Conventional	0.09	0.10	0.13	0.15
Unconventional	0.04	0.04	0.05	0.08

As shown in the table, unconventional operations have a lower GHG emissions footprint than conventional production, measured per produced unit.

It is expected to be up and running by the publication of the next Sustainability Report, allowing us to obtain more precise metrics regarding our emissions.

As part of its net zero strategy, Tecpetrol's Energy Transition Unit focuses on identifying opportunities and executing projects related to decarbonization in order to reduce the carbon footprint of the different Techint Group companies.

Likewise, the Company is working on the development of a customized GHG emissions calculator, in line with international standards.

<sup>44</sup> The values corresponding to 2020, 2019 and 2018 were restated and revalidated, since previously, the total and own electrical energy generated was added to natural gas consumption.

<sup>45</sup> Emissions source factors: U.S. Energy Information Administration (EIA). Emissions from the consumption of natural gas, gas oil and diesel used in vehicles and equipment, and replacement of refrigerant gases (operational control).

<sup>46</sup> Calculated as direct Scope 1 emissions per unit of production (m<sup>3</sup> of oil equivalent).



## UN COMPROMISO CON EL FUTURO

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*En los últimos 150 años, las actividades humanas fueron responsables de la mayor parte del aumento de las emisiones de CO<sub>2</sub> a las atmósfera. Como resultado la Tierra está cambiando más rápido que en cualquier otro momento de nuestra historia.*



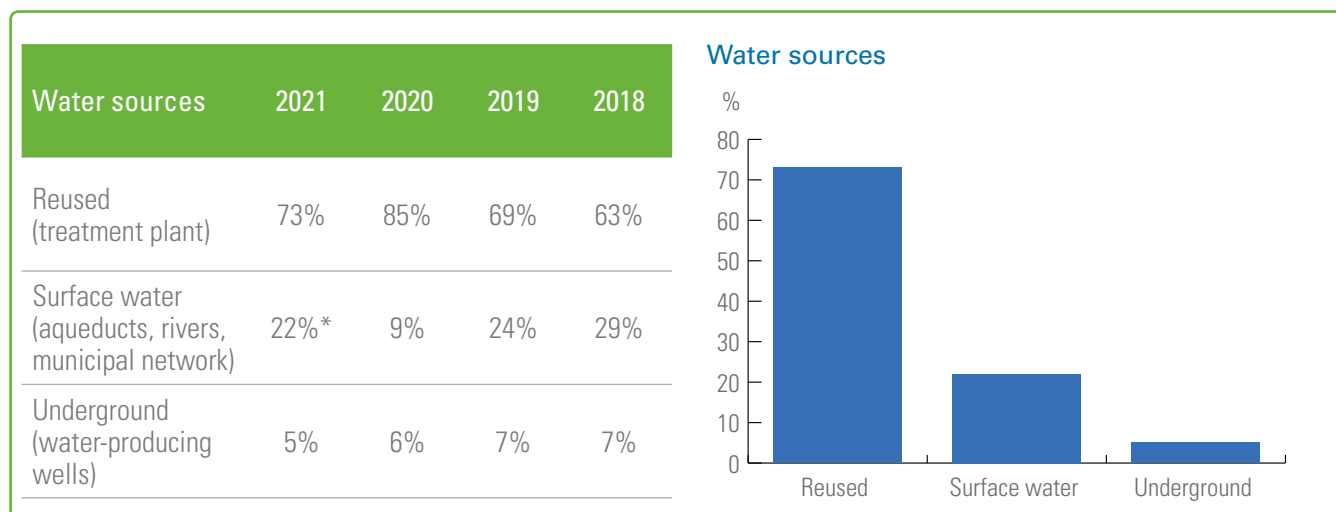
To read the article in full, click [HERE](#).

## Responsible water management

As water is one of the main natural resources used in our different productive and non-production processes, our aim is to optimize consumption

and progressively increase reuse. We routinely carry out diagnoses of the different sources used, as follows:

\*The increase recorded between 2020 and 2021 is due to the restart of hydraulic stimulation activities and is in line with previous annual consumption levels.



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 both to ensure there is no interference with their use, whether current or potential, and to safeguard their sustainability.

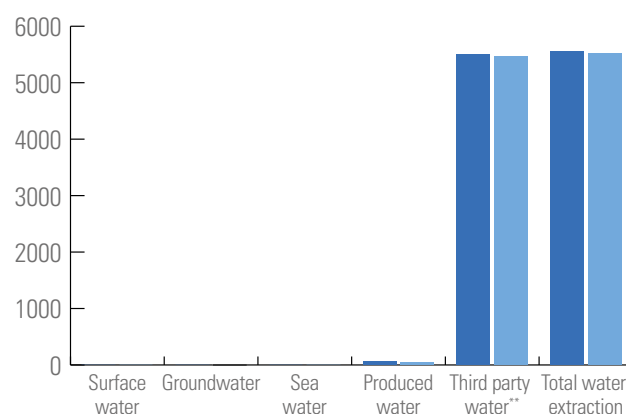
Water extraction (MI)	2021	2020	2019	2018
Surface water	1,470.2	446.5	1,680.0	2,664.2
Groundwater	404.3	410.9	465.8	627.1
Sea water	-	-	-	-
Produced water <sup>47</sup>	11,309.0	9,925.5	11,255.0	11,963.2
Third party water <sup>48</sup>	5,658.4	5,553.3	5,002.6	5,992.5
Total water extraction	18,841.9	16,336.2	18,403.4	21,247.0

According to the World Resources Institute's [Aqueduct Tool](#), some of our operations are located in areas at risk of medium-high and high water stress.

The Pesquería Power Plant is located in the region with the greatest water stress. However, it is also the site where all the water consumed is recovered water (graywater).

Water withdrawal in areas of water stress (MI)*	2021	2020	2019	2018
Surface water	-	-	-	-
Groundwater	-	-	-	-
Sea water	-	-	-	-
Produced water	54.2	42.3	41.2	41.1
Third party water**	5,497.9	5,473.1	4,924.3	5,892.9
<b>Total water extraction</b>	<b>5,552.0</b>	<b>5,515.4</b>	<b>4,965.5</b>	<b>5,934.1</b>

Water withdrawal in areas of water stress (MI)\*



\*Contemplates water extracted from water stress areas, considering the categories "Extremely high" and "Arid areas with low water use" according to the Baseline Water Stress classification defined by Aqueduct (World Resources Institute).

\*\*Includes water from the Pesquería Treatment Plant among other sources.

<sup>47</sup> Restatement of information: non-material differences (years 2018 and 2019) corresponding to errors due to manual transcription between forms prior to 2020, when environmental information was collected and recorded annually, to forms using twice-yearly records.

<sup>48</sup> Includes water from the Pesquería Treatment Plant.

Total water extraction (MI)	2021	2020	2019	2018
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Fresh water*	2,056.6	960.8	2,249.4	3,405.4
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Other waters**	16,785.3	15,375.4	16,153.9	17,841.5
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\* Scope: surface water, groundwater and third-party water (not including water from the CEP Treatment Plant).

\*\*Scope: produced water and water from the CEP Treatment Plant.

73% of the water consumed is graywater

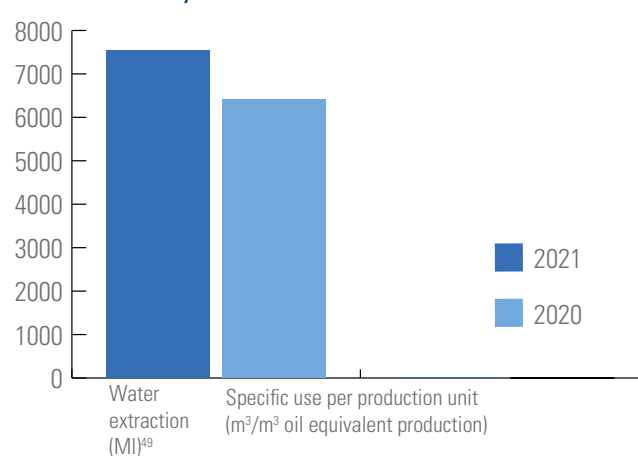
Water intensity*	2021	2020	2019	2018
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Water extraction (MI) <sup>49</sup>	7,532.9	6,410.7	7,148.4	9,283.8
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Specific use per production unit (m <sup>3</sup> /m <sup>3</sup> oil equivalent production)	0.85	0.76	0.77	1.4
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\*Excludes produced water.

Water intensity\*



<sup>49</sup> The value for 2020 was adjusted to be 0.43% less than the previous value, due to an overestimate of the consumption level measured.





### Production water generated (or produced)

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

In unconventional operations, water associated with the liquids extracted is called flowback, the result of pressure being released after hydraulic fracturing, and it is managed in a similar way to production water.

Item	2021	2020	2019	2018
Net production (MI) <sup>50</sup>	11,309.0	9,925.5	11,255.0	11,963.2

The increase in the volume of production water which may be observed from 2020 to 2021 reflects the rise in oil and gas output.

### Specific generation of produced water per unit produced

Produced water	2021	2020	2019	2018
Conventional (m <sup>3</sup> /m <sup>3</sup> conv. oil eq. prod.) <sup>**</sup>	3.49	3.04	3.23	3.93
Unconventional (m <sup>3</sup> /m <sup>3</sup> unconv. oil eq. prod.) <sup>**</sup>	0.14	0.10	0.14	0.22

\* Produced water is the production water associated with hydrocarbons extraction.

\*\* M<sup>3</sup> oil eq. prod. does not include Pesquería, as this facility does not issue production water.

### Reinjected flowback and produced water

	2021	2020	2019	2018
Reinjected flowback and produced water	10,040,804	8,722,141	11,508,605	12,365,273

As in previous periods, in 2021, most injection activity took place in conventional operations (93%), with over 80% taking place in 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 Neuquén Basin, both in Argentina.

<sup>50</sup> Restatement of information: non-material differences (2018 and 2019) corresponding to errors due to the manual transcription of information on forms prior to 2020, when environmental information was collected and recorded annually, to forms using twice-yearly records.

## Spill control

We implement different prevention and/or corrective mechanisms to early detect potential environmental accidents. We perform integrity, maintenance and inspection work on a continuous basis, as well as monitoring the possible causes of oil spills, such as equipment failures, material defects, and the dumping of chemicals and liquid fuels (e.g., diesel), as well as drilling muds and cuttings, among other factors.

In the case of an incident, we report on this at internal level to ensure swift action is taken as appropriate. A manual cleaning operation is launched to preserve local vegetation and transfer any waste to each field's treatment site, where biological methods are applied to accelerate natural biodegradation processes and ensure no environmental damage is left, or chemicals added. In all cases, we notify the relevant enforcement authorities in each jurisdiction.<sup>51</sup>

During 2021, we recorded a further reduction in the number of spills:

Item	2021	2020	2019	2018
Quantity (>1 barrel)	308*	355	441	450
Volume (m <sup>3</sup> )	439**	285	436	888

\*Of the 308 events, 242 correspond to the San Jorge Gulf.

\*\*Of the 439 m<sup>3</sup> reported, 356 m<sup>3</sup> correspond to the San Jorge Gulf.

Spills are essentially produced water (salt water) making up over 53% of the volume with oil in the remaining proportion, averaging 1.43 m<sup>3</sup> per event during 2021. These events took place in different areas of the San Jorge Gulf and Neuquén Basin (in an approximate proportion of 80% and 15%, respectively). The remaining 5% were events that occurred in other operations. We also recorded 21 events of gas leaks and venting, reaching a total of 1,736 Mm<sup>3</sup>.

<sup>51</sup> The calculations and estimates of these items are from 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 between 1,000 m<sup>3</sup> of gas and 1 t of oil equivalent, uniform calorific values (e.g., 1 m<sup>3</sup> of oil contains 38 GJ of energy), among other conversions and equivalences that may be reviewed.



Waste management<sup>52</sup>

Work in the hydrocarbons industry, particularly in the upstream business, produces a substantial volume of residue from drilling activities, such as drill cuttings, which although not actually waste, must nonetheless be managed appropriately (this is crushed rock and water-based clay). As long as they do not present any risks for people’s health or the environment, drill cuttings can be used to fill in and recover areas in quarries, for instance.

The same treatment is reserved for so-called oil-based cuttings after a heat-based process to guarantee the shards are in inert condition prior to disposal.

These remnants are categorized as “conditional or special” since they are associated with the operational processes of exploration and production. We also manage municipal solid waste (MSW), generally trash related to offices and dining rooms.

Waste created

Waste generated (t)	2021	2020	2019	2018
Non-hazardous (Municipal Solid Waste - MSW)	1,031.6	1,262	950	1,333
Hazardous*	74,580.6	16,690	77,731	146,504
Total **	75,612.2	17,952	78,681	147,837

\*Includes oil-based mud from drilling activities.  
\*\*Scope: MSW (Municipal Solid Waste) and Hazardous Waste.

Drilling waste

Mud and cuttings (t)	2021	2020	2019	2018
Oil-based	36,310.9	3,078	**	**
Water based *	48,675.8	21,376	35,659	45,323

\* Mud from the CEP operation's Water Treatment Plant in Mexico is considered.  
\*\* Records were not kept separately, as they were reported together with hazardous waste.

<sup>52</sup> Restatement of information: reported values (2019 and 2020) were modified due to transcription errors between spreadsheets and reclassifications in the Waste created table.





The higher amount of conditioned/special waste in 2021 is from tank-bottom management, oil-based drilling mud, and fracture water produced by flowback from unconventional wells, subsequently sent to specialized companies for treatment and final disposal.

Based on the increase in activity, the following waste generation intensity per unit produced was recorded in 2021:

Waste generation intensity (Kg/m <sup>3</sup> eq. prod.)	2021	2020	2019	2018
Conditioned/special	8.44	1.99	8.40	22.02
Municipal	0.12	0.15	0.10	0.20
Water-based cuttings and muds	5.51	2.55	3.85	6.81

### 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 ensuing from the treatment. The main destinations are disposal in authorized landfill and similar or recovery for multistream recycling (e.g., recyclable plastics, cardboard and metals, uncontaminated wood for donations, etc.).

Item	2021	2020	2019	2018
Recycling (t)	223	43	140	64





## Biodiversity protection

We are committed to biodiversity and nature conservation, and take action to prevent, mitigate and correct undesirable impacts. Environmental impact studies and monitoring are carried out at all our operations, whether these are part of the planning exercise for new facilities, or to manage environmental concerns during the course of our work. We also have undertaken several progressive environmental restoration actions, such as:

- In Mexico, we rewilded a number of species in areas where there were plans to build a new installation, and carried out a restoration program for used areas involving reforestation projects and seedling nurseries. During 2021, over 9,000 specimens of different species were rescued<sup>53</sup> between the Misión and Pesquería operations.
- In Colombia, we have been working on a major reforestation project since 2010. To-date, we have replanted 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 Neuquén and San Jorge Gulf 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. In the San Jorge Gulf, more than 3,700 seedlings grown in the company's own nurseries were planted, contributing to the revegetation of 1 hectare throughout these basins.

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 "Patrimonio Forestal del Estado: Unidad 1 Cabecera Cuyabeno", and Aguaragüe, 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.

From the preventive perspective of soil and nature conservation, we pay special attention to any paleontological remains uncovered in the Company's fields. We have a close relationship with professionals working in this field, who safeguard the integrity of the discoveries that have come to light in recent years of operations.

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<sup>53</sup> In the case of flora, each cutting is considered to be an individual specimen.



## LOS BASTOS, PARAÍSO PARA PALEONTÓLOGOS

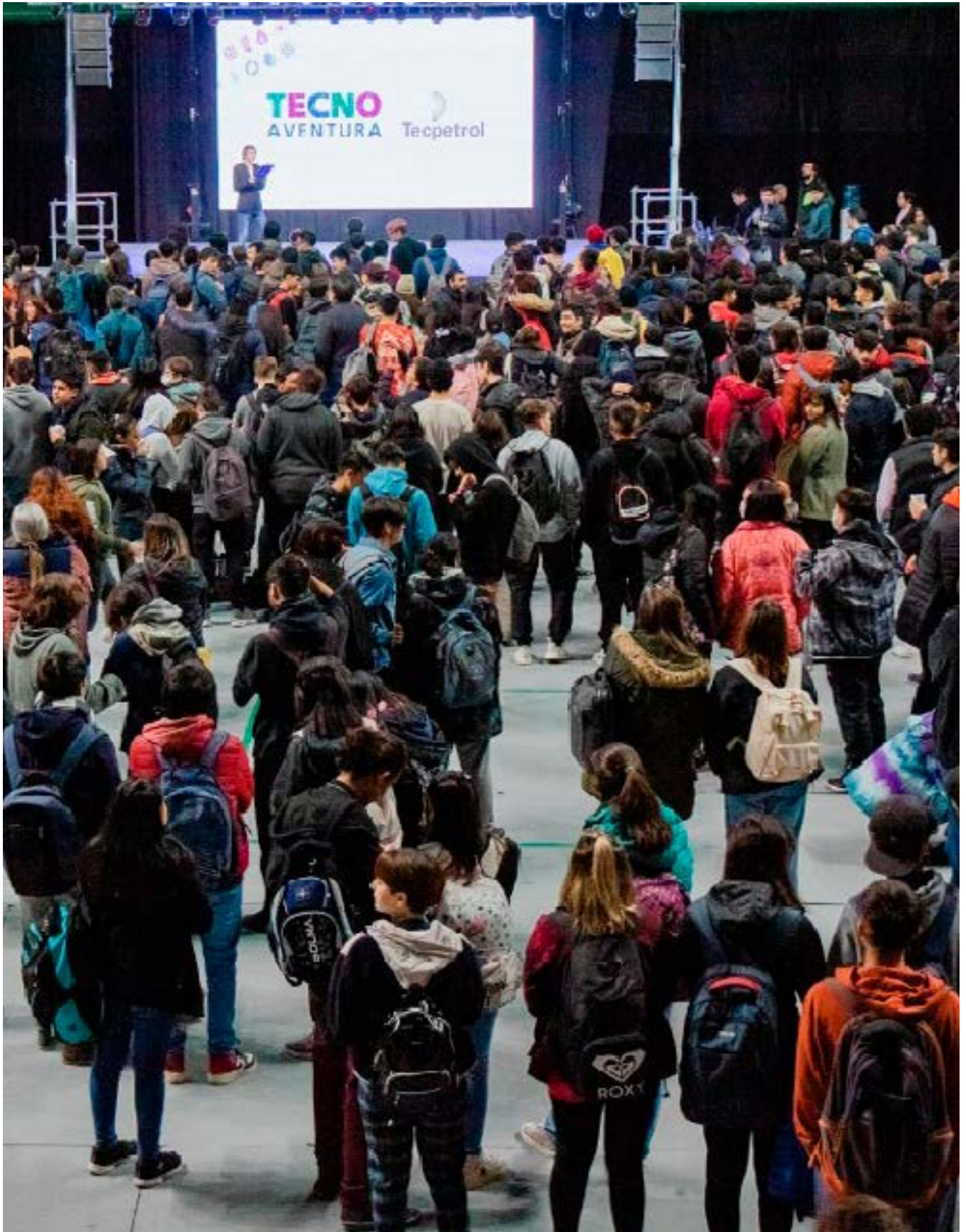
*El hallazgo de restos fósiles cerca de un antiguo pozo puso al paraje en el mapa de los científicos. Un estudio estima que allí vivió hace 88 millones de años una especie gigantesca de dinosaurio hasta ahora desconocida.*



To read the article in full, click [HERE](#).



## COMMUNITY RELATIONS



## Relevant SDGs:



## Putting our energy into protecting our communities

The Techint Group has, for the last 70 years, upheld a series of values which include targeted work to sustain the well-being of the communities where we operate, contributing to the growth and development of their members through education and culture programs, and taking specific actions to protect their health.

Tecpetrol's first step towards a more open and plural approach in the relationship with its communities, neighbors and stakeholders, was to ensure greater diversity within its own Community Relations and Social Management team. Whereas fifteen years ago, the team was entirely comprised of male engineers, today there is a balance of men and women from different backgrounds, ranging from engineering and communications to anthropology and business administration, among other disciplines. The diversity of our work teams enhances our capacity to understand the concerns of the community, create spaces for dialogue, and foster stronger relationships.

Our Community Relations Team (CORE) is responsible for managing and evaluating the projects carried out in each of the communities where we are present. During the reporting period, there have been no formal claims or complaints from the local communities and those neighboring the operations, underscoring the fact that the programs were carried out proactively and prioritized frank and open dialogue between the parties involved at all times.

## Putting our energy into protecting our communities.

### Our communities:

- Catriel (Argentina)
- Comodoro Rivadavia and Rada Tilly (Argentina)
- Senillosa (Argentina)
- General Mosconi, Tartagal, Aguaray and Salvador Mazza (Argentina)
- Neuquén, Añelo and Rincón de los Sauces (Argentina)
- Reynosa and Pesquería (México)
- Puerto Gaitán and Puerto Triunfo (Colombia)
- Dureno and Pacayacu (Ecuador)
- Olacapato Chico (Argentina)

Following the impact of the pandemic on all sectors of society, we ramped up our support for the communities where we are present. Faced with a global crisis with far-reaching implications for healthcare, education, social processes and the economy in general, our remit in 2020 was to help the hospitals in our communities respond to the COVID-19 pandemic, providing support to institutions and health professionals. During 2021, we continued to monitor the health situation so we could provide support where needed, giving priority to the vaccination process, which was rolled out en masse in most of the areas where the Group is present.



Sharing

## "Our Stories"



**A podcast series about the life stories, achievements and dreams of the people who build Tecpetrol every day.**

**Michielle Zurita** is head of Commercial Planning in Ecuador, and also teaches yoga in her spare time. When we recorded this podcast, **Michielle** was just one month away from giving birth to her first child.

**To listen to the podcast, click [HERE](#).  
To read the article, click [HERE](#).**

### Global Action Plan

In 2021, as the pandemic evolved with the emergence of different variants, offset by the beginning of the vaccination process, one of the priorities was to keep a permanent channel of communication open with the local health authorities, enabling a targeted response in each community with specific contributions. These actions sprang from our 2020 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. We also coordinated follow-up plans together with the directors of the hospitals in our communities.

To reinforce knowledge sharing and best practices, doctors from Humanitas, the Techint Group Hospitals Network in Italy took part in two online meetings for over 200 doctors from our communities in Argentina, Brazil, Mexico, Colombia, Uruguay, Guatemala and Ecuador.

**We kept our virtual campus going until end-2021, offering the public free access to the latest Humanitas material compiled on COVID-19.**

#### **Tecpetrol's response to COVID-19**

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.





Read the full article [HERE](#).

### Corporate social investment initiatives

Our social investment programs are integral to our vision of collaborating with the sustainable development of the community; we explore spaces for dialogue and joint work with the

State, non-governmental organizations and other institutions. We pursue three lines of activity in all the countries: education, art and culture, and community development.

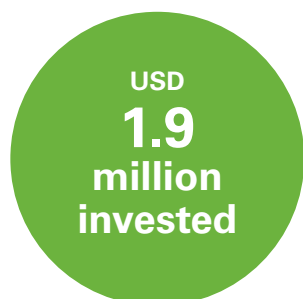
### Techint Group investment in the community (amounts in USD)

Year/Country	 Argentina	 Ecuador	 Colombia	 Mexico	Total
2021	962,506	53,559	705,319	138,294	1,859,678
2020	1,462,764	27,807	279,838	288,325	2,058,734

The total investment in Community Relations corresponds to the following:<sup>54</sup> the amounts invested in the Group's corporate programs (CORE), plus contributions from the Fundación Rocca (in Education and Health), the institutional contributions made to different NGOs, and the amounts earmarked for community projects created within the Social Management framework.

The variation in the amounts invested compared to 2020 is due to the temporary discontinuation of contributions for health projects in the context of the COVID-19 pandemic.

<sup>54</sup> Total invested at Techint Group level within our operated areas corresponds to own funds plus funds from our partners in the joint ventures in Argentina, the joint venture in Ecuador and Mexico, and the Pesquería Power Plant in Mexico.



### Investment in the Community –Tecpetrol (amounts in USD)

Year	Tecpetrol
2021	281,125.89 *
2020	1,021,066.32

\* Investments earmarked for volunteering activities within the Community Relations (CORE) program, according to the size of the stake owned by Tecpetrol in operated and other joint ventures. The amounts accounted for during 2021 are taken into consideration. To obtain the figure for the amount invested in Euros, the average quarterly exchange rate (EUR-USD) was used.



## Education

### Technical Gene Program

This initiative is about boosting technical education in our communities, contributing to the development of Industry 4.0 skills in technical secondary schools. We train both 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.

Item	2021	2020*
Hours of training	23,653	8,018
Students	919	145
Teachers	81	206

\*Corresponds to operations in five communities in Argentina.

Aware of the far-reaching effects of the pandemic, we stepped up our support for technical schools by focusing on three aspects: improving infrastructure, building new workshops and equipping classrooms with technology; providing extra training courses in Math for teachers and students, and expanding our alliances with industrial suppliers to offer Industry 4.0 courses in technical schools.

In Neuquén, we worked with the German automation company FESTO<sup>55</sup> and the provincial Ministry of Education for the second edition of online training in Industry 4.0 skills for 30 teachers from 27 technical schools and 3 agricultural schools, enabling them to teach these skills to 5,000 students. The communities in Argentina also received training in programming and robotics.

Item	2021	2020
Teachers	30	60
Schools*	30	30
Students	>5,000	>5,000

\*In 2021 and 2020, 27 technical and 3 agricultural schools took part.



Watch the video [HERE](#) on LinkedIn to find out more about this initiative.

### New industrial technologies

At the Provincial School of Technical Education 16 in Rincón de los Sauces in Neuquén, we centered on developing new industrial technologies. We developed a training course on 3D printing for 26 teachers, to enable them to replicate the subject matter with their students.

In addition, 300 high school seniors received hybrid training, involving both online and face-to-face classes, on how to use Arduino software, an industrial automation and programming platform. Thirty robotics kits were delivered to the establishments for the students to continue experimenting. At the Provincial School of Technical Education 24, also in the town of Rincón de los Sauces, we trained 100 students to use the Lazos platform, designed for academic purposes at ministerial level in the province of Neuquén.



### TecnoAventura

We celebrated the third edition of TecnoAventura, a 100% virtual immersive experience to enable 315 young people from 15 technical schools in the province of Neuquén to learn about energy

production and the structure of the oil & gas industry in an innovative way, organized by Tecpetrol professionals.

#### Work interviews

Our Human Resources team gave a talk at the Provincial Technical Education School no. 3 in the city of Neuquén, with tips for job interviews and how to prepare a CV, for 6th year students.

#### Technological classrooms and Pneumatics laboratories

We deployed an initiative to upgrade school infrastructure in Aguaragüe, Neuquén and Comodoro Rivadavia, building and equipping classrooms with technology to enable public school students and teachers to access classes online.

We also refurbished their Pneumatics, PLC and Mechatronics laboratories, and improved facilities in general. We overhauled the IT classroom at the Provincial Technical Education School no. 3 in Neuquén city and brought in 26 new computers, projection equipment and a 55-inch touch screen to help with teaching. We also built and equipped a classroom dedicated to energy-related subjects at the same educational institution.

At Technical School 23 in the town of Añelo, we provided equipment and educational resources to upgrade their workshops.

#### Technical knowledge tests - Math Path

Final year students from technical schools in Argentina took part in a nationwide math test but only answered 43% of the questions correctly, on average. On the basis of these results, we decided to launch a math skills boost plan to improve the standard of their performance and mitigate the effects of the pandemic on education. We started with a pilot teacher training program, which will continue for the next three years to cover 100% of the staff for the entire secondary cycle. We worked with 7th and 10th grade Math teachers, focusing on transversal mathematical thinking and how to implement specific exercises among students, accompanied by pedagogic experts.

#### Safe work at height and confined spaces

In Puerto Gaitán, Colombia, we worked together with the SENA (*Servicio Nacional de Aprendizaje* - National Learning Service) to set up a special training tower for people to learn about safe work at height and in confined spaces. Using tools properly, driving heavy machinery, and even painting industrial facilities from scaffolding, towers or platforms, are all skills that require training. Furthermore, working at height requires special certification because of the additional safety requirements. The new facilities mean that members of the Puerto Gaitán community can now take free courses to train and qualify for a range of skilled jobs in the hydrocarbons, construction, electricity, telecommunications and agribusiness sectors.



For more information, [WATCH](#) the video on LinkedIn to find out about the 2021 edition of the Technical Gene program.

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<sup>55</sup> Festo is a German multinational automation company, whose training arm Festo Didactic is a global market leader in technical training and development.



## Roberto Rocca Scholarships

With support from Tecpetrol, the Fundación Hermanos Agustín y Enrique Rocca awards Roberto Rocca educational scholarships to young people at secondary, university and PhD levels, in recognition of their academic achievements and commitment in the fields of science and technology.

**509 scholarships**  
in 5 communities  
in Argentina  
and Mexico in 2021.

**528 scholarships**  
in 4 communities  
in Argentina  
and Mexico in 2020.

The Group has been recognizing the efforts and achievements of high-school students since 1976 through this academic awards program, which was initially intended for the children of company employees. In 2006, the program was expanded to welcome all students in the community, and today it is present in 38 communities around the world. In 2021, we awarded a total of 509 scholarships in five communities in Argentina and Mexico.

In 2021, the selection process changed to include students' socioeconomic status as an additional variable in the process, to foster social mobility and equal opportunities. The school grade system incorporated a logic and math test as a complement to the qualification.



Local programs

Puente Program – Argentina (Neuquén)

For the third consecutive year, we rolled out the Puente Program to drive job placement and professional development for young people in Neuquén. We accompanied 22 young people from Rincón de los Sauces, Añelo and Aguada San Roque, empowering and motivating them to finish high school and also providing them with technical training as an introduction to the world of work, literacy and the English language.

Item	2021	2020
Young people	22	18
Hours of training	360	240



Watch the video [HERE](#) on LinkedIn, and find out more about the 2021 edition of the Puente Program.



Future Graduates Program - Argentina

cimientos  
construyamos desde la educación

Together with Fundación Cimientos, we worked with the Future Graduates Program, providing 40 secondary school students from Añelo in Neuquén with economic support in the form of a monthly stipend and professional accompaniment to enable them to finish their studies.

Rural communities - Ecuador

In Ecuador, we rolled out a scholarship program for young people from the small rural communities of Dureno and Pacayacu, neighboring the Libertador Block in the province of Sucumbíos, to ensure they could complete their secondary-level schooling.

In 2021, we provided financial support for 13 youths who exhibited an outstanding performance at high school and expressed their desire to continue studying. In addition to the scholarships and personal support, each one received a computer and all the technological elements required for their studies.

Agricultural tools were provided to help local families working on the land and living in the immediate environs of the company's operations.

## STEM Skills

During 2021, schools gradually reopened and resumed classes. To support the return to in-person attendance, we provided biosafety items to schools to help them observe the regulatory health and safety protocols. Over the year, these activities benefited 1,325 children: 1,250 in Argentina and 75 in Colombia.

Country	2021	2020
 Argentina	1,250	1,200
 Colombia	75	50
Total	1,325	1,250





## Art and Culture

# PROA

The Fundación PROA is a space in Buenos Aires which has dedicated itself to disseminating the great artistic movements of the 20th and 21st centuries since 1996, holding exhibitions, workshops, seminars and festivals. Together with the rest of the Techint Group companies, we provide ongoing support to the Foundation.

At Tecpetrol, we believe in developing outreach activities to communicate the different realities of our contemporary world, helping the communities where we are present to reaffirm their identity, promoting diversity and respect for all cultures.

In 2021, we supported the following initiatives:

**International shows:** “Creating Worlds”; “Artists’ Film International” (AFI), bringing together works from more than 20 institutions and museums;

“La Suite”, a dialogue between photographs, performances, installations, sculptures, videos, painting and sound art, and “Art in play.” Throughout the year the institution received over 35,000 in-person visitors, more than 9,000 virtual visitors and 9,030 online views of its contents. Additionally, 800 people from the communities neighboring the cultural center participated in four virtual talks focused on photography and contemporary art. For more information, click [HERE](#).

**Photo libraries:** an image digitization project showcasing the history of our communities through photographic exhibitions. In 2021, in Comodoro Rivadavia, the Photo Library was officially opened to the community, coinciding with the launch of the book “Comodoro Rivadavia: 120 years of photographic stories” (a joint initiative with PROA). For more information, click [HERE](#).

**Film festivals:** in 2021, we resumed our in-person film screenings with a selection of Latin American films that were shown in Comodoro Rivadavia, province of Chubut, Argentina.





## Community development

From its origins, throughout the countries where it operates, Tecpetrol pursues a deep-seated commitment to the communities neighboring its operations, seeking to contribute to specific needs and partnering with local institutions to drive 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 our “Community Project” program, we drive community development through a participatory and representative model. Community members identify and prioritize the most relevant

projects in committees 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 assembling each initiative.

A recent example of a project providing infrastructure and tools to the community took place in Puerto Gaitán, Colombia, where locals use the SENA facilities (free of charge) to train and learn about work at heights or in confined spaces, leading to the certification required to qualify for specific skilled jobs.

Sharing

## “Our Stories”

**A podcast series about the life stories, achievements and dreams of the people who build Tecpetrol every day.**



**Catalina Echeverri** is an anthropologist and the Community Relations coordinator in Colombia. She's in charge of interacting with the indigenous communities living in the Llanos Orientales region.

**To listen to the podcast, click [HERE](#).  
To read the article, click [HERE](#).**

## Indigenous communities

One of the pillars of our work with the communities is respect for the rights of indigenous peoples, pursuing dialogue and communication as a way of facilitating mutual understanding. For example, we incorporate intercultural knowledge through our social liaison team whose members speak local indigenous languages and work to achieve equitable and transparent dialogue processes.

This enables their life plans for economic and social development to be built together in response to the needs identified, and respect retained for their identity.

Tecpetrol works with the indigenous communities living in Puerto Gaitán, Department of Meta, in the Colombian Llanos Orientales region where the Pendare field is located.





## Working with the communities

Our set of social management initiatives covers donations, contributions, sponsorships and training designed to bring us closer to the communities where we operate.

### Argentina

Tecpetrol contributes to the Pediatric Vision Screening program run by the Fundación Baylor Argentina since 2017 in Rincón de los Sauces, Añelo and Sauzal Bonito. Pediatric vision screening tests are held in order to prevent and/or early detect any symptoms of sight problems. When abnormalities are detected, children are referred to the appropriate specialist to ensure problems are addressed before their condition degenerates. This helps to strengthen the prevention strategies and early detection of sight problems such as myopia, retinopathy or cataracts in line with current WHO recommendations.

In 2021 and 2022, 1,504 vision screenings were held and as a result, 119 pairs of glasses were delivered. For more information, click [HERE](#).

In addition, we continue to accompany the following civil society organizations with institutional support:



<https://www.asdra.org.ar/>

- **ASDRA** (Association of families of people with Down syndrome): support program for special education schools and annual solidarity dinner.



[www.lekotek.org.ar](http://www.lekotek.org.ar)

- **Lekotek**: game libraries project (Comodoro Rivadavia and Salta) and maintenance of Main Playroom in CABA.





<https://www.leer.org/>

- **Fundación Leer:** sponsorship of the "2021 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 much larger numbers of participants throughout the country.



<https://www.equidad.org/>

- **Fundación Equidad:** Agreement to donate disused computer equipment, subsequently recycled and delivered to schools and other institutions.

## Ecuador

A training course in occupational risk prevention was held for 50 people from communities in the Pacayacu and Dureno parishes, with the aim of reducing occupational accidents and illnesses in the areas of electrical and construction work. The training addressed the basic knowledge needed to meet technical and legal requirements in terms of prevention, risks, occupational health and first aid. Upon completion, all participants were awarded a Certification for Labor Skills in Occupational Risk Prevention, mandatory for all personnel working in the industry.

For more information, click [HERE](#).





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305-1	Direct (Scope 1) GHG emissions	9.4 Emissions	11.1.5	3 - 12 - 13 - 14 - 15	3.9 - 12.4 13.1 14.3 15.2
305-4	GHG emissions intensity	9.4 Emissions	11.1.8	13 - 14 - 15	13.1 14.3 15.2
305-5	Reduction of GHG emissions	9.4 Emissions	11.2.3	13 - 14 - 15	13.1 14.3 15.2

GRI standard	Content	Page or reference	O&G Industry Standard	SDG	Targets
WASTE					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	4.4 Materiality analysis 9.7 Waste management	11.5.1		
103-2	The management approach and its components	9.7 Waste management			
103-3	Evaluation of management approach	9.7 Waste management			
GRI 306- WASTE APPROACH DISCLOSURES (2020)					
306-1	Waste generation and significant waste-related impacts	9.7 Waste management	11.5.2	3 - 6 - 11 12	3.9 - 6.3 6.4 - 6.6 11.6 12.4 12.5
GRI 306 - WASTE TOPIC-SPECIFIC DISCLOSURES (2020)					
306-3	Waste generated	9.7 Waste management	11.5.4	3 - 6 - 11 - 12 - 15	3.9 - 6.4 6.6 - 11.6 12.4 12.5 15.1
306-4	Waste diverted from disposal	9.7 Waste management	11.5.5	3 - 6 - 11 - 12	3.9 - 11.6 12.4 12.5
306-5	Waste directed to disposal	9.7 Waste management	11.5.6	3 - 6 - 11 - 12 - 15	3.9 - 6.4 6.6 - 11.6 12.4 12.5 15.1
EFFLUENTS AND WASTE					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	4.4 Materiality analysis 9.6 Spill control	11.8.1		
103-2	The management approach and its components	9.6 Spill control			
103-3	Evaluation of management approach	9.6 Spill control			
GRI 306 - EFFLUENTS AND WASTE TOPIC-SPECIFIC DISCLOSURES (2016)					
306-3	Significant spills	9.6 Spill control	11.8.2		
ENVIRONMENTAL ASSESSMENT OF SUPPLIERS (*)					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	4.4 Materiality analysis			
103-2	The management approach and its components	6.3 Supply chain			
103-3	Evaluation of management approach	6.3 Supply chain			



GRI standard	Content	Page or reference	O&G Industry Standard	SDG	Targets
GRI 308 - SUPPLIER ENVIRONMENTAL ASSESSMENT TOPIC-SPECIFIC DISCLOSURES (2016)					
308-1	New suppliers that were screened using environmental criteria	6.3 Supply chain			
EMPLOYMENT					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	4.4 Materiality analysis 7.2 Relationship with our people	11.10.1 11.11.1		
103-2	The management approach and its components	7.2 Relationship with our people			
103-3	Evaluation of management approach	7.2 Relationship with our people			
GRI 401 - EMPLOYMENT TOPIC-SPECIFIC DISCLOSURES (2016)					
401-1	New employee hires and staff turnover	7.2 Relationship with our people	11.10.2	5 - 8 - 10	5.1 - 8.5 8.6 - 10.3
401-2	Benefits provided to full-time employees that are not provided to part-time or temporary employees	7.2 Relationship with our people	11.10.3	3 - 5 - 8	3.2 - 5.4 8.5
401-3	Parental leave	7.2 Relationship with our people	11.10.4 11.11.3	5 / 8	5.1 - 5.4 8.5
OCCUPATIONAL HEALTH AND SAFETY					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	4.4 Materiality analysis 8.1 Integrated Management of Health, Safety, and Environment 8.2 Safety at work 8.3 Looking after people's health	11.9.1		
103-2	The management approach and its components	8.1 Integrated Management of Health, Safety, and Environment 8.2 Safety at work 8.3 Looking after people's health			
103-3	Evaluation of management approach	8.1 Integrated Management of Health, Safety, and Environment 8.2 Safety at work 8.3 Looking after people's health			

GRI standard	Content	Page or reference	O&G Industry Standard	SDG	Targets
<b>GRI 403 - OCCUPATIONAL HEALTH AND SAFETY APPROACH DISCLOSURES (2018)</b>					
403-1	Occupational health and safety management system	8.1 Integrated Management of Health, Safety, and Environment 8.2 Safety at work 8.3 Looking after people's health	11.9.2	8	8.8
403-2	Hazard identification, risk assessment and incident investigation	8.1 Integrated Management of Health, Safety, and Environment 8.2 Safety at work 8.3 Looking after people's health	11.9.3	8	8.8
403-3	Occupational health services	8.3 Looking after people's health	11.9.4	8	8.8
403-4	Worker participation, consultation, and communication on occupational health and safety	8.2 Safety at work	11.9.5	8 / 16	8.8 / 16.7
403-5	Worker training on occupational health and safety	7.4 Training for internal talent	11.9.6	8	8.8
403-6	Promotion of worker health	8.3 Looking after people's health	11.9.7	3	3.3 - 3.5 3.7 - 3.8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8.1 Integrated Management of Health, Safety, and Environment 8.3 Looking after people's health	11.9.8	8	8.8
<b>GRI 403 - OCCUPATIONAL HEALTH AND SAFETY TOPIC-SPECIFIC DISCLOSURES (2018)</b>					
403-8	Workers covered by an occupational health and safety management system	8.1 Integrated Management of Health, Safety, and Environment	11.9.9	8	8.8
403-9	Work-related injuries	8.2 Safety at work	11.9.10	3 - 8 - 16	3.6 - 3.9 8.8 - 16.1
403-10	Work-related ill health	8.3 Looking after people's health	11.9.11	3 - 8 - 16	3.3 - 3.4 3.9 - 8.8 16.1

GRI standard	Content	Page or reference	O&G Industry Standard	SDG	Targets
TRAINING AND EDUCATION					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	7.2 Relationship with our people			
		4.4 Materiality analysis 7.4 Training for internal talent	11.10.1 11.11.1		
103-2	The management approach and its components	7.2 Relationship with our people			
		7.4 Training for internal talent	11.10.1 11.11.1		
103-3	Evaluation of management approach	7.2 Relationship with our people			
		7.4 Training for internal talent	11.10.1 11.11.1		
GRI 404 -TRAINING AND EDUCATION TOPIC-SPECIFIC DISCLOSURES (2016)					
404-1	Average hours of training per year per employee	7.4 Training for internal talent	11.10.6 11.11.4	4 - 5 - 8 - 10	4.3 - 4.4 4.5 - 5.1 8.2 - 8-5 10.3
404-2	Programs for upgrading employee skills and transition assistance programs	7.4 Training for internal talent	11.10.7	8	8.2 / 8.5
404-3	Percentage of employees receiving regular performance and career development reviews	7.2 Relationship with our people		5 - 8 - 10	5.1 - 8.5 10.3
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	4.4 Materiality analysis 7.3 Diversity and inclusion	11.11.1		
103-2	The management approach and its components	7.3 Diversity and inclusion			
103-3	Evaluation of management approach	7.3 Diversity and inclusion			
GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY TOPIC-SPECIFIC DISCLOSURES (2016)					
405-1	Diversity of governance bodies and employees	5.1. Corporate Governance 7.3 Diversity and inclusion	11.11.5	5 / 8	5.1 - 5.5 8.5

GRI standard	Content	Page or reference	O&G Industry Standard	SDG	Targets
HUMAN RIGHTS ASSESSMENT (*)					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	4.4 Materiality analysis			
103-2	The management approach and its components	5.4 Commitment to Human Rights			
103-3	Evaluation of management approach	5.4 Commitment to Human Rights			
LOCAL COMMUNITIES					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	4.4 Materiality analysis 10. Community Relations	11.15.1		
103-2	The management approach and its components	10. Community Relations			
103-3	Evaluation of management approach	10. Community Relations			
GRI 413 - LOCAL COMMUNITIES TOPIC-SPECIFIC DISCLOSURES (2016)					
413-1	Operations with local community engagement, impact assessments, and development programs	10. Community Relations	11.15.2		
	Reporting the number and type of complaints from local communities	10. Community Relations	11.15.4		
SUPPLIER SOCIAL ASSESSMENT (*)					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	4.4 Materiality analysis	11.10.1		
103-2	The management approach and its components	6.3 Supply chain			
103-3	Evaluation of management approach	6.3 Supply chain			
GRI 414 - SUPPLIER SOCIAL ASSESSMENT TOPIC-SPECIFIC DISCLOSURES (2016)					
414-1	New suppliers that were screened using social criteria	6.3 Supply chain	11.10.8	5 - 8 - 16	5.2 - 8.8 16.1

(\*) Information included by the company. Does not respond to a material issue.





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