

PetroTal Perú S.R.L.

SUSTAINABILITY REPORT 2020



Table of Contents

1



CEO and General Manager message

About us

Ethics

Operations

Environment

Annexes



REPORTE DE SOSTENIBILIDAD
2020

To our stakeholders:

The year 2020 was marked by the global health crisis, which had a great impact on our industry and our activities in Block 95 as well. Likewise, social disruption took place in the Loreto region, in addition to the year's difficulties. However, despite the circumstances that we are still going through, our actions are focused on the fulfillment of our purpose, our reason for being, our solid commitment to **“creating value and generating opportunities for the benefit of all”** and especially of the communities living in our influence area. Furthermore, we implemented stringent and efficient protocols to safeguard the health of our collaborators, contractors and neighbors, and we maintained as far as possible field production, with the firm belief that we will exit this crisis stronger than before.



Responsibility for everything that we do

Our operations are characterized and distinguished by the close relationship with communities, our commitment to the care and preservation of the environment and the health and safety of the operating personnel and the PetroTal's team in particular.

Our social management approach is based on the participation, accountability and entrepreneurship, seeking to empower populations in order to support their own economic and social development and the growth of Loreto region where we operate. We believe in the importance of empowerment so that populations can be the masters of their own fate. That is why we implement programs and initiatives

of value shared to train leaders, entrepreneurs, inhabitants who are committed to their own people.

At PetroTal we work under the respect and protection of biodiversity and environment approach, thereby we join efforts with our contractors and communities in application of the national regulations and the industry's best international standards so as to maintain our operation safe. Proof of that is our zero sanctions for environmental non-compliances in 2020, a fact that makes us proud.

Committed to Our Work

We work using the latest technology in the extractive industry, satisfying the characteristics and conditions of quality and technological innovation to achieve a sustainable and successful operation.

Furthermore, thanks to the relentless effort of our team and contractors, we have been able to overcome adverse situations, reaching important milestones such as: a production of 2.08 million barrels, the start-up of the CPF1 processing center, the 6H well drilling and the pilot test of oil export to Brazil, in such a complex context as the one resulting from the COVID-19 pandemic.

People first

We provide safe and healthy working conditions in our operations, ensuring the protection of life and health of our collaborators, contractors and neighboring villages. Throughout 2020 we put into action several measures inside and outside the facilities to comply with the standards established by our COVID-19 and State protocols, with the aim of avoiding COVID-19 spread. Likewise, we have contributed to our neighbors' healthcare by the delivery of rapid tests, medications and medical equipment to the Bretaña's Health Center to counter the virus. Because of these actions, we are very proud to have been recognized as the first oil exploration and production company in Peru to be awarded the Biosafety Seal granted by SGS in recognition for our good cleaning and hygiene practices, thus guaranteeing a safe work environment for our people.

We Trust Our People

This first sustainability report based on the Global Reporting Initiative (GRI) standards represents a benchmark in the history of our operation and is a token of commitment of our collaborators working from their homes and those who accomplish that on the field, far away from their families. We congratulate and thank the exceptional work of every one of them. We are sure that we will face each challenge with great optimism.

You are welcome to review this document that presents in a clear and transparent manner the company's most outstanding economic, social, safety, environmental and operational results for 2020, which also

observes the guidelines of our Safety, Health, Environment, and Social Responsibility, Human Rights Policies, our Code of Business Conduct and Ethics, among others, our Integrated Management System (IMS), as well as the United Nations Sustainable Development Goals (SDGs) by 2030.

Sincerely,



**Manuel Pablo
Zúñiga Pflücker**

President and CEO
PetroTal Corp



**Ronald
Egúsquiza S.**

General Manager
PetroTal Perú S.R.L.

An aerial photograph of an industrial construction site, likely an oil or gas wellhead, set against a backdrop of dense green forest. The central focus is a tall, lattice-structured drilling rig. Surrounding the rig are various industrial components, including large cylindrical storage tanks, smaller circular basins, and numerous pipes and walkways. The ground is a mix of dirt and concrete, with some areas appearing muddy. The overall scene is one of active industrial development in a natural setting.

1

PetroTal

1.1 Our essence

GRI 102-1, GRI 102-5

We are PetroTal Peru S.R.L. (hereinafter PetroTal), a company led and run by Peruvians, engaged in the exploration, exploitation and commercialization of hydrocarbons in Peru, by virtue of the license agreement with the Peruvian State, acting by and through PERUPETRO S.A., for Block 95, its last amendment being approved by Supreme Decree 033-2018 and the executed business agreements.

Our Purpose and Values

GRI 102-16

Our purpose has been built with the support of collaborators and the leadership of the executive team, who have reflected their motivations and how to impact our company. Our purpose is:



“Create value and generate more opportunities for the benefit of all”



Likewise, we established the five values that define us as PetroTal team and shows us the way on how to work and take decisions:



Safety

People first. We proactively take part in the care of people, environment, and PetroTal assets.



Integrity

We behave with righteousness and honesty, bearing in mind our values.



Responsibility for everything that we do

We assume and comply our obligations always respecting the environment, safety and communications and we do it in a respectful manner.



Trust in our people

We are a team composed of excellent professionals with experience, potential and human quality, working towards the fulfillment of our purpose.



Committed to our work

Our efforts and dedication are focused on giving our best to achieve the wellbeing of all.

Economic value created and shared

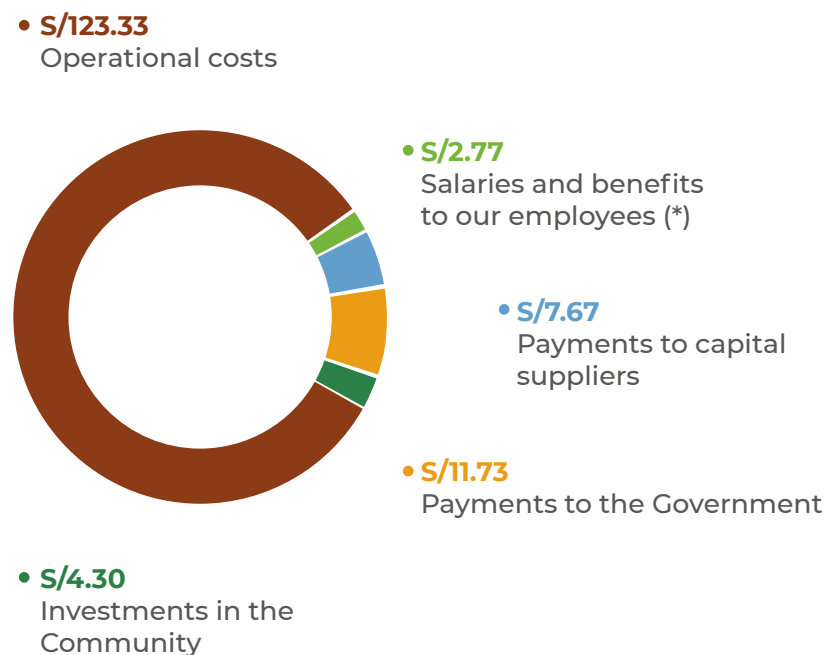
GRI 102-7, GRI 201-1

(Expressed in million of soles)	2020
Economic value added (EVA)	226.26
Operational costs	123.33
Salaries and benefits of our employees (*)	2.77
Payment to capital suppliers (Financial expenses)	7.67
Payments to the Government	11.73
Investments in the Community	4.30
Economic value distributed (EVD)	149.80
Economic value retained DVG – EVR	76.45

(*) Personnel expenses not carried forward to the operational costs and investments included.

(*) The economic value retained is reinvested in the project.

Economic value distributed in millions of soles



(expressed in million of soles)	2020
Debt (Capital+interests)	140.74
Capital	137.62

2.77
Millon
of income

Payroll

2.77 million soles of income generated allowed us to pay for salaries, vacations, and social benefits of our employees.



Payments to capital suppliers (financial expenses)

7.67 million soles of income generated by PetroTal in 2020 were allocated to payment of interests, bank charges and other financial costs.

7.67
Millon
soles of income



Tax payments to the State

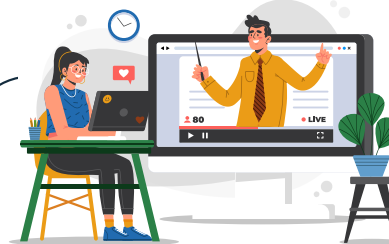
11.73 million soles of income generated were allocated to the State, through the payment of taxes, which allowed to finance basic utilities, infrastructure, among others.

11.73
Millon
soles of income

Investment earmarked to our community

Finally, 4.30 million soles of income generated were allocated to our community through the implementation of production development projects, social projects in education, healthcare, and donations to face the sanitary emergency, requested by communities and villages on the district of Puinahua.

4.30
Millones
de soles de los ingresos



Our History

- In **December**, PetroTal CEO visited the field in Location L2, starting the PetroTal Corp activities in Peru with the purpose of starting up the Bretaña Norte site that had been discovered by Gran Tierra Energy Peru S.R. L. by drilling the exploratory well 1XD-ST2 in 2013.



2017

Our History

● In **June**, we restarted field production with the aim of conducting large production tests in well 1XD-ST2 and thus get to know the well's behavior and the site characteristics, to cross-check the technical and economic feasibility of the project. To that end, production facilities, called PreEarly or Phase 1, were installed and allowed for processing up to 1000 barrels of oil per day (bopd).



2018

● In **November**, we started production testing and facilities for Phase 2 or Early. This had a capacity of 5000 bopd and 10000 barrels of water per day (bwpd). In this way, production of well 1XD-ST2 increased to 2000 bopd.

● In **December**, we informed Perupetro of the "Declaration of Commercial Discovery". As a result, we finished the Holding Period and started the Exploitation Phase for 23 years. Our license agreement for Block 95 has a start date of commercial extraction: December 28, 2018. In addition, we maintain exploration for another area of the license agreement.

Our History

- On **February 27**, the first exploratory well, called 95-2-2-2XD, was drilled. With this well, field production rose to 3500 bopd in mid-April. Then, the confirmation well 95-2-2-3D was drilled, which allowed to increase field's production to 6000 bopd in mid-June.
- On **June 28**, well 95-2-2-2-2WD was drilled to re-inject produced water. This allowed to convert the existing injection well (drilled in 2014 by Gran Tierra) to a production well and maintain production at 6000 bopd.
- On **August 18**, the first horizontal well with a length of 467 meters was drilled. It is equipped with technology to control sand and slow down water production known as the Autonomous Inflow Control Device (AICD). With this well, field production rose to 8500 bopd in mid-October.

2019

On **October 19**, the second well with a horizontal stretch of 863 meters long was drilled, using AICD technology as well. In parallel, two horizontal pumping system (HPS) of injection of produced water were installed in order to increase field's reinjection capacity to 40000 bwpd. With the entry of the second horizontal well, field production rose to 9500 bopd in mid-December.

On **December 29**, we commissioned the facilities built for the Central Processing Facilities (CPF1) with a processing capacity of 16 000 bopd and 40 000 bwpd. This increased the field's production to 13 300 bopd.

Our History

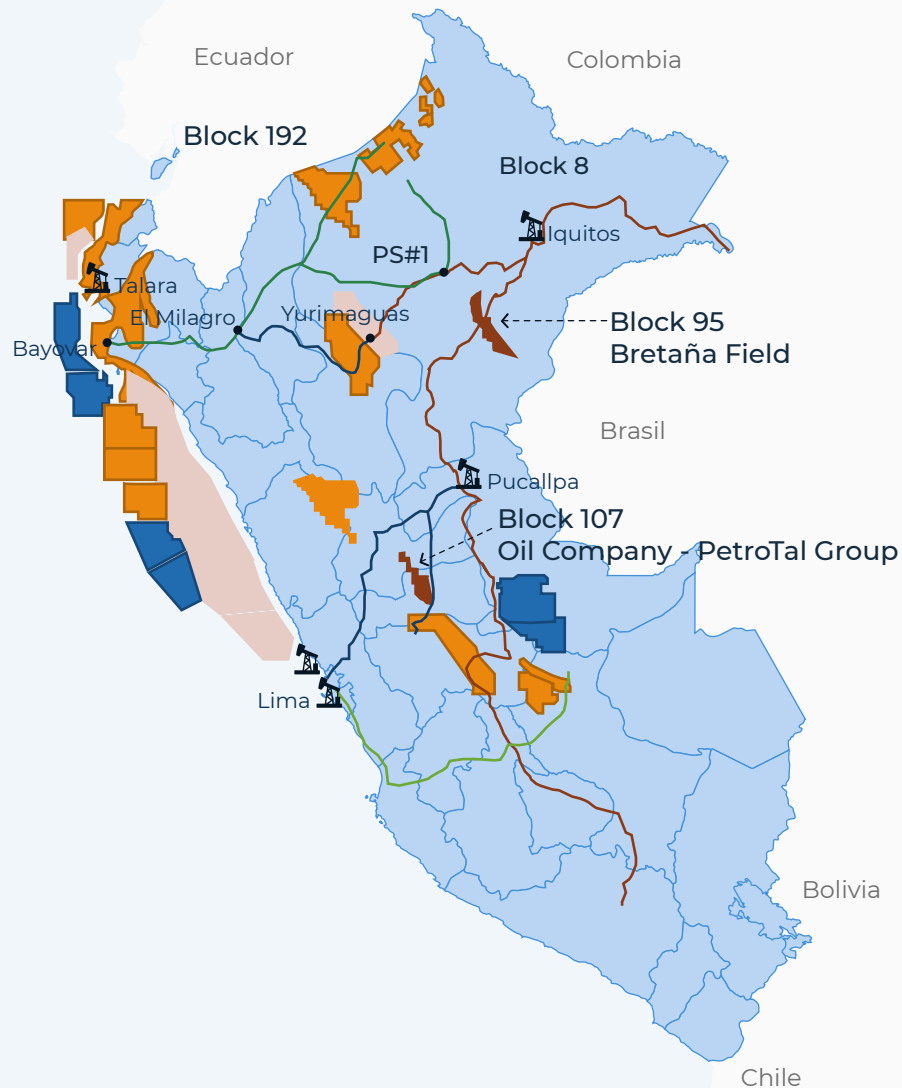
● In **April**, well 6H was drilled with a production of 5000 bopd. Although our production was paralyzed by COVID-19 pandemic, that year we managed to increase capital for \$16.5 million. We restarted production in July but had to stop again in August due to social turmoil as a result of claims against the national government.



2020

● In **September** production was restarted after the government reached an agreement with the communities. In December, the first pilot of oil export from Bretaña to Brazil was conducted. We closed with an average of 6413 barrels of oil per day in the 2020 fourth quarter.

1.2 Nuestra cadena de valor



GRI 102-2, GRI 102-3, GRI 102-4

Our exploration and exploitation operations take place in Block 95, right margin of the Puinahua channel, district of Puinahua, province of Requena, department of Loreto. The administrative offices are located in Lima.

With respect to Block 107, located in Pasco, it is operated by Petrolifera Petroleum del Peru S.R.L. of the same group PetroTal Corp. This Block is still under exploration and preparation stage of Environmental Impact Assessments (EIA).

Legend:

	Lima - Pucallpa Road		Gas Pipe
	River System		Pump Station
	Oil Pipe		Refinery
	Petro Tal Blocks		
	Blocks under Contract		
	Area Approved for TEA - Contract		
	Area in Negotiation of Perupetro		
	TEA = Technical Evaluation Agreement		

Locación 2A – Bretaña Norte



Stages of our operation

GRI 102-2, GRI 102-6



Extraction

We are an upstream company on the oil sector. Our activities include exploration of new reserves and oil extraction.

By the end of 2020, we produced a total of 2 million 76 thousand barrels of oil. Average production of 6413 bopd was recorded in the fourth quarter of 2020.



Treatment

The crude oil extracted is treated so as to comply with our clients' sales conditions.

The variables we control are water content, salt content, viscosity and specific gravity.



Transportation

Finally, treated crude oil is transported from the Bretaña dock to Station 1 of the North Peruvian Oil Pipeline (ONP), located in San José Saramuro, department of Loreto, or to the Iquitos Refinery.

At the end of 2020, a pilot of crude oil exportation from Bretaña to an alternative route other than the North Peruvian Oil Pipeline of 106,000 barrels FOB Bretaña was conducted.

Clients

Our main client is Petróleos del Perú – Petroperú S.A. In December 2019, we signed a one-year contract and, in mid-2020, we reached an agreement to extend the oil sale to three years.

The North Peruvian Oil Pipeline and the Iquitos refinery are Petroperú's operational units.

1.3 Our commitment to sustainability

At PetroTal, the sustainability management is a long-term challenge that comprises environmental, social and governance (ESG) issues. To that aim, we have an Integrated Policy of Safety, Health, Environment and Social Responsibility, which comprises employees, local personnel, contractors and subcontractors; and the local populations close to our operations.



Our Stakeholders

GRI 102-13, GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 103-1, GRI 103-2, GRI 103-3

The dialogue with stakeholders is key to fulfilling our purpose: *“Create value and generate more opportunities for the benefit of all”*.

Each stakeholder has been identified as a major component and close to our operations. Those who could be affected by our impacts and those who may impact us were taken into account.

The aim is to build trustworthy relationships with each stakeholder, based on transparency and dialogue. For this reason, different communication channels are used – according to each stakeholder’s needs – to identify their expectations and provide a timely response to their concerns or worries.

This company is part of the National Society of Mining, Oil and Energy and the Peruvian Hydrocarbons Society.





Stakeholders



Frequency and mechanisms of communication



Matters of Interest



PetroTal's Response

Community

Daily: nearby areas

COVID-19

Support resources to combat the pandemic

Weekly: more distant areas
Visitas diarias, comunicación telefónica

Work opportunities

Continuity in recruitment and programs

Client

Daily visits, telephone communication

Daily operations of loading and landing

Shipped and unloaded volumes

Daily, e-mail

Monthly, delivery schedule (nomination)

Marketing programs

Occasionally, new business opportunities

New commercial agreements

State

Monthly: environmental monitoring, safety monitoring and reports to Perupetro

SENACE: Environmental Management Tools – IGA (Environmental Impact Assessments and Technical Supporting Reports) and various reports on project outreach and change management.

Preparation of reports of environmental safety and reports to Perupetro.

MINEM: Compliance with permits and sectorial environmental assessments.

OEFA: Compliance with commitments assumed in EIA and event communications.



Stakeholders

State



Frequency and mechanisms of communication

● **Monthly:** environmental monitoring, safety monitoring and reports to Perupetro



Matters of Interest

● SERNANP: Preservation of the Pacaya Samiria Reserve, technical opinions to Environmental Management Instruments (IGA in Spanish) and implementation of Environmental Compensation Agreement

● OSINERGMIN: Monthly report of accidents and incidents.

● SERFOR: Clearing of trees and implementation of environmental restoration program, rescue programs of flora and fauna and scientific research.

● ANA: Collection, discharges and issuance of technical opinions to IGAs.

● DICAPI: Issuance of technical opinions to IGAs, risk assessment and contingency plans, permit for use of water area in case of spills on river or dock.

● PCM, MININTER, MIDIS

● MEF: Unlocking of investment promotion

● MINCU: Technical Opinions to IGAs

● MTC: Civil aeronautics regulations for heliports

● PERUPETRO: Monthly reports



PetroTal's Response

● Preparation of environmental reports



Stakeholders

Collaborators

Suppliers and contractors



Frequency and mechanisms of communication

● **Daily**, via e-mails, the Microsoft Teams platform

● **Occasionally**, e-mail



Matters of Interest

● Employment stability

● COVID-19

● Quotations

● Proposals for services and products



PetroTal's Response

● Continuous communication and transparency

● New policies

● Celebrations

● Requirements to be registered as a supplier

● Purchase orders submitted

● Service orders

● Agreements to be signed

Respect for Human Rights

Human rights of employees, partners, communities, local population, contractors and clients are promoted and respected. A Human Rights Policy is in place, which establishes our principles of action, and we commit ourselves to incorporating a policy compliance commitment in every contract. Accordingly, specific risk assessments on human rights and the environment are carried out. In addition, the Code of Ethics and Business Conduct, the Harassment Committee, and the Complaints and Claims Procedure are set up.



A permanent review process of the strategic risk matrix on human rights issues is implemented with the participation of the Operational and Support Management (Operations Manager, Field Manager, Safety and Health Manager, Environmental and Permits Management, Institutional Relationships and Communications Manager, and Head of Social and Sustainability Management). The assessment is conducted at the highest company's level given the issue's transversality at PetroTal.

The reviewed actions are focused on strengthening our risk prevention system in safety and use of force by the service provider and analyzing the behavior of public forces in the environment to ensure resources and measures that can mitigate any impact on employees' and environment people's rights.

Our Material Subjects

GRI 102-46, GRI 102-47

In 2020, we worked on the materiality process, which helped define the most important subjects for management and stakeholders. The process was conducted in three stages:

1 Determining the relevant subjects for the company



The context as well as the main global standards and industry practices were assessed. This allowed to dimension a list of economic, environmental and social subjects, that was subsequently appraised by our Chief Executive Officer (CEO), the General Manager and the company's managers.

2 Determining the relevant subjects for our stakeholders



The list of subjects was assessed by the company's stakeholders through direct and indirect information gathering. This process used different tools such as surveys, focus groups and structured interviews, which helped learn the perceptions of our employees, suppliers, communities, clients and State-run bodies.

3 Prioritizing material subjects for the company and its stakeholders



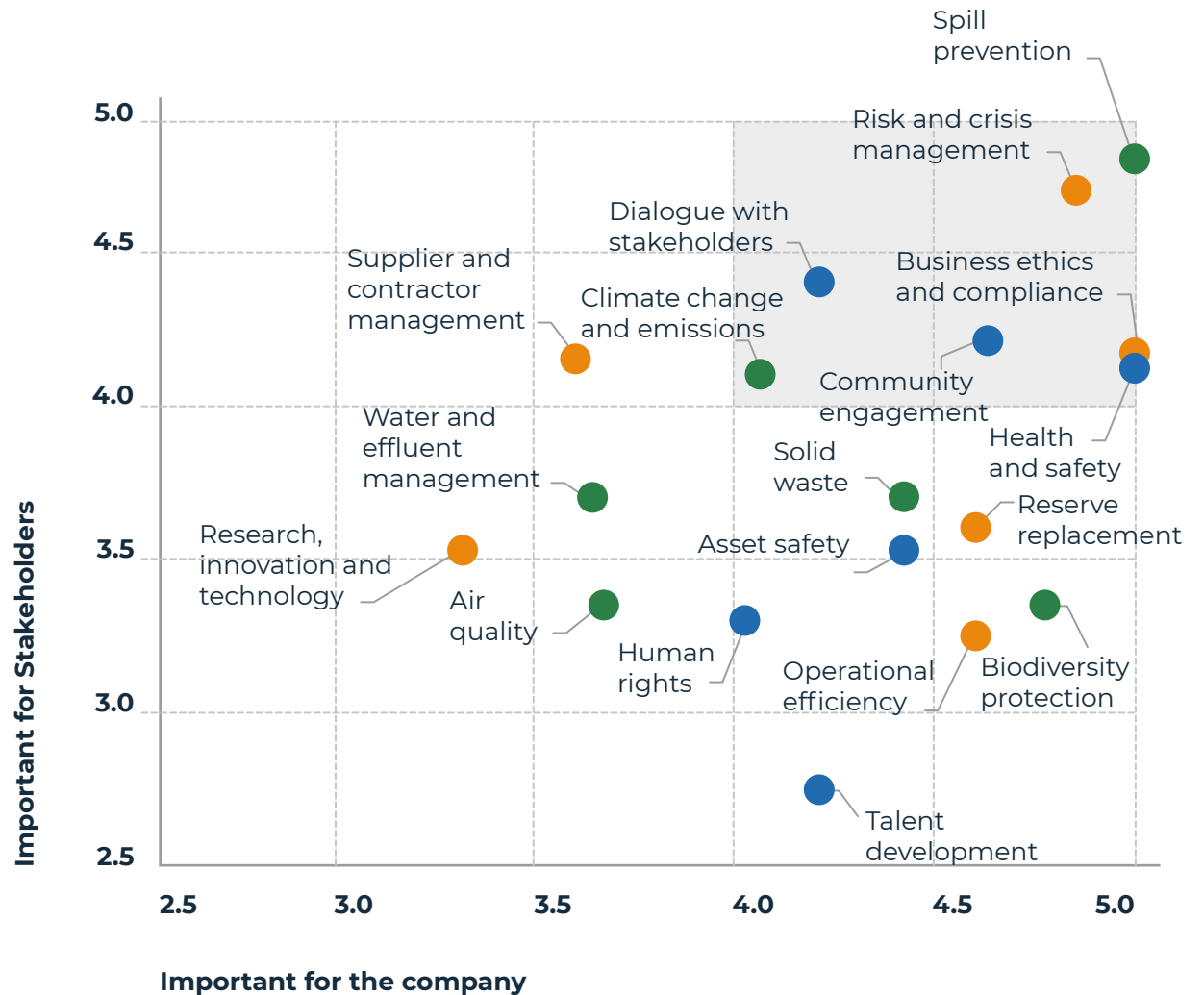
Finally, material subjects were prioritized and determined, based on those relevant for the company and its stakeholders. The representation of materiality is conducted on a dispersion matrix, where the horizontal axis shows the results relevant for the company, while the vertical axis shows those that are important for stakeholders.

Materiality matrix 2020



-  **Environmental**
-  **Economic**
-  **Social**

Material subjects quadrant





Subject



Dimension



Definition

Spill prevention

Environmental

Avoid spills, maintain asset integrity, and ensure effective plans of spill prevention, spill response and control.

Risk and crisis management

Economic

Identify and mitigate key business risks, including emerging risks, and potential crises arising out of social conflicts and environmental events. Implement in-house control processes to comply with existing regulations and proactively develop control mechanisms.

Business ethics and compliance

Economic

Irreproachable business conduct that promotes anti-corruption policies and anti-competitive practices. Ensure solid compliance practices that regulate behavior of directors, employees and contractors.

Community engagement

Social

Strengthen the company's social license to operate through compliance with social commitments and local development programs. Support the economy's dynamization through the promotion of local employment.

Dialogue with stakeholders

**Social -
environmental**

Relationship, transparency and accountability; legal compliance and compliance with the company's internal regulations, organization's commitment to respond to stakeholders expectations in the governance area.

Health and safety

Safety

Promote a prevention and health and safety protection culture among our employees, contractors and environment. Identify potential hazards and risks (for example, COVID-19 context).

Climate change and emissions

Environmental

Promote the use of clean energies in operations and implement offset strategies. Encourage the calculation of carbon footprint and the implementation of greenhouse gas reduction programs related to the company's operations (both direct and indirect).



2

2020



2.1 Main results of the year

We are satisfied with the 2020 results, despite the fact that it was a critical year for our industry due to the COVID-19 pandemic and the fall in oil prices.

Safety and Health



Biosafety Seal by SGS obtained



0 positive cases of **COVID-19** in the field after protocol implementation.



20 contractor companies audited on issues by HSS



0 lost time injuries (LTI)



The inspection program for vessels transporting hydrocarbons and developing the **VETTING** procedure implemented.



20 000 COVID tests used in operations.



Social management and sustainability



More than **400 children** participating in the “Useful Vacations” project in 6 communities of the influence area.



11 interns: 6 scholarships for university studies and 5 for colleges in our scholarship program for higher education.



From January to December 2020 we have hired **156 residents** of the district of Puinahua.



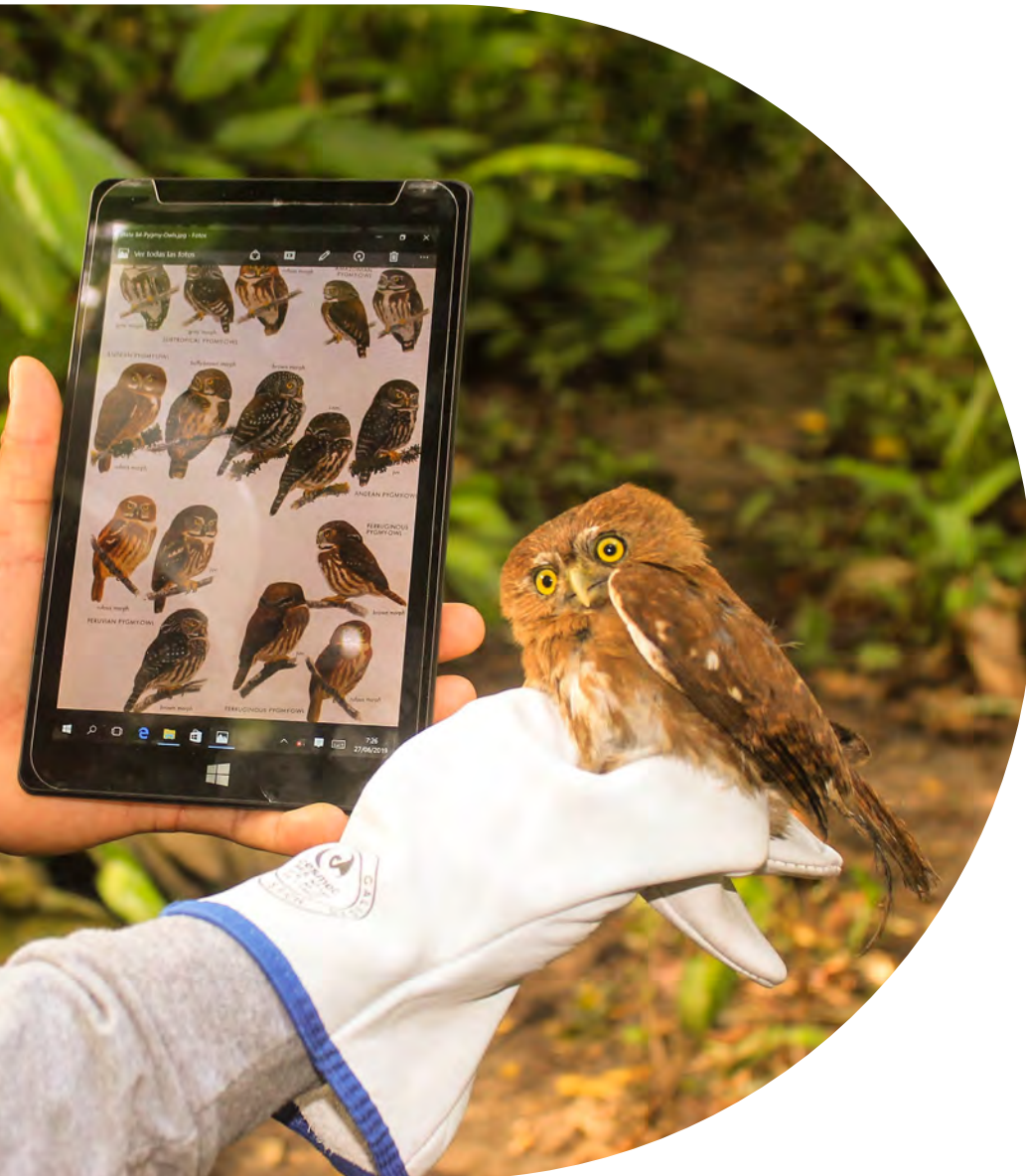
320 families work in farming crop value chains in the district of Puinahua.



Development of the **Erosion Control** project of Puinahua channel, with which three underwater breakwaters were installed to control the stream and sedimentation, thus contributing to mitigate the impact on the Bretaña riverbank.



PROMOSAC’s team of **21 monitors** conducted 217 monitoring activities at Bretaña Field, which promote the continuous improvement of our processes in the operational, environmental and social areas.



Environmental management



Implemented Environmental Management System:

- Full implementation of the Environmental Care Program (Programa Atento Ambiental): prevented the occurrence of environmental incidents.
- Zero sanctions for environmental non-compliance in 2020.



100% of strategic risks assessed and with mitigation measures:

- Waterways vulnerability study approved.
- 100% de las medidas del Plan de contingencia ejecutadas
- Full implementation of Contingency Plan measures.
- Zero spills resulting in environmental emergencies.
- Full implementation of rapid spill containment drills



Power efficiency:

- 15043 MT Carbon Footprint Quality certificate obtained (2019).
- On-going emission reduction plan



Protection of biodiversity and ecosystem services:

- Approval of a "Nature for Nature" Environmental Restoration program for 100% of intervened areas.
- During the clearing of trees process complete flora and fauna rescue program implemented:
 - 289 of herpetofauna (reptiles) relocated.
 - 20 non-flying small mammals relocated
 - 11 Orchidaceae, Araceae Polypodiaceae individuals relocated



Operations



Horizontal well 6h was drilled. This well holds the record for the longest horizontal well drilled across the country (1178 m).



Production was maintained throughout the last quarter of the year despite the North Peruvian Oil Pipeline operation stoppage and its limited storage capacity.



First export pilot of 106 000 barrels of crude oil from Bretaña to Brazil.



Start-up of the generation plant using crude oil (HFO plant)



Supply chain



Negotiations were key to deal with the negative impact of the pandemic. Among them are the following:

- Rates and pricing with suppliers and contractors
- Terms and conditions of payment
- Postponement of projects



Human Management



Participation in preparation of COVID-19 Prevention Plan and ensure compliance



0 dismissals due to COVID-19



Psychological advice to our collaborators and their relatives to deal with the stressful situation they may be going through



Digital Transformation:

Homeworking, a cloud-based Integrated Management System (IMS) where all of our employees can easily access to our policies, procedures, forms, etc.

2.2 Main strategies to counter COVID-19

GRI 102-10, GRI 403-6, GRI 403-7

The year 2020 has been complicated and adapting to a new way of operating was a huge challenge. We prepared and approved the Plan for Surveillance, Prevention and Control of COVID-19. Processes were adapted so as to protect people's health and safety. For us, collaborators come first, as well as their peace of mind and that of their families. In addition to encouraging our collaborators to participate in COVID-19 prevention talks, the main actions taken were as follows:

Indefinite Remote Work

In addition to the mandatory social isolation imposed by the Peruvian government, we ensured that every collaborator has the Microsoft Teams installed and operational in their laptops. This has been our main work tool to keep us in contact and hold online meetings.

Likewise, we offered an option for those who wanted to take home their monitor, docking station and other tools owned by the company. They could take all of these on a loan basis. We have installed internet in most of our collaborators' homes so they are well equipped as in the office. Going digital has been a challenge; however, we have adapted and continued our activities.

Field restrictions

We have put restrictions on visits and entry of the field administrative personnel, unless they have obtained an express authorization by the General Manager and the Operations Manager. Only required personnel for operations do on-site work. With the aim of reducing the risk of contagion, staff turnover coming from and going to the encampment has been minimized.

Furthermore, for the scheme extension to be viable, employees receive one day off – that can be taken within the encampment facilities – for every six working days on the field. By November, the situation was under control so that field days were reduced.

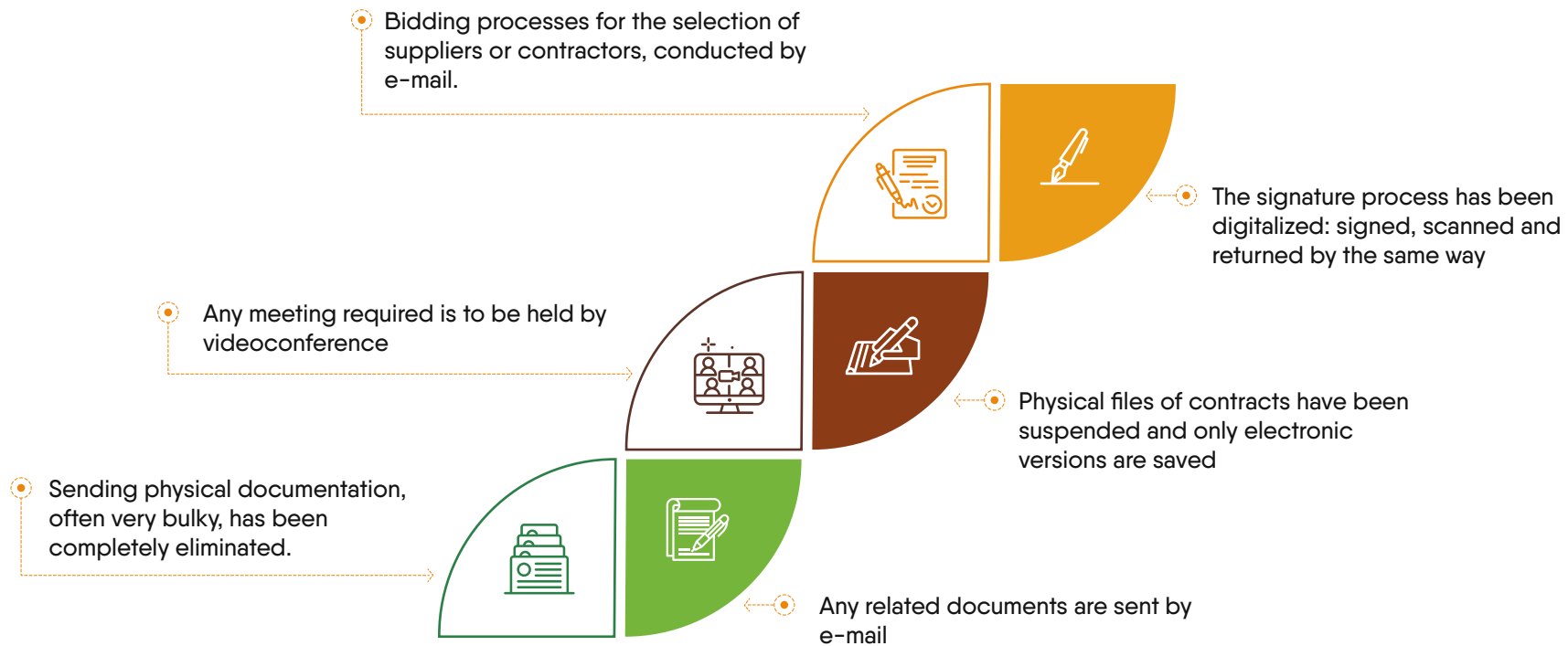
Psychological Counseling

With the aim of reducing anxiety caused by the COVID-19 pandemic and helping our employees to cope with stress, we hired Alventure company for psychological counseling services. This is a benefit for all PetroTal's employees, direct family relatives (spouses and children) and parents. Through different contact lines, our collaborators and relatives may schedule an appointment with a psychologist on the day they request.



Similarly, processes were simplified to eliminate any personal contact in purchase management.

The main actions conducted were as follows:



On the operation side, health protocol and specific procedures were set up during the emergency. Besides, from the implementation of the Plan for Surveillance, Prevention and Control of COVID-19 at the workplace to the restart of our operations, no positive cases have been detected on the field.

A total of 20 000 rapid tests were acquired as a prevention measure for the return to our operations, treatment medications for COVID-19, oxygen for medical response, personal protection equipment (PPE) for employees and we also count with healthcare providers.

Likewise, training for personnel was imparted and action measures were established for the return to operations. The main measures implemented were as follows:

1

**Actions before
entry to field
facilities**

We implemented eleven requirements prior to the entry to field:

1. Sworn statement by each employee
2. Sworn statement by employee signed by legal representative
3. COVID-19 plan entered in the Ministry of Health (MINSa) web page by each contractor and sent for review.
4. Occupational health and safety reactivation record
5. COVID-19 Care Induction Record
6. Each collaborator must take 2 rapid tests before entry to the field. On-field rapid tests are performed for all personnel every 5 days.
7. Complete copy of the occupational medical examination of each employee
8. Mental health plan (physical support)
9. Body mass index (BMI) control plan for values above 30
10. Sworn statement: Disclaimer of liability for personnel over 60 and under 65
11. Avoid entry of collaborators with diseases in accordance with national regulations.

2

Prevention and control measures to enter operational facilities

- First rapid test: 7 days before entry to encampment
- Second rapid test: 1 day before entry to encampment
- On site every 5 days after entry

3

Measures to stay in the operational facilities

- Customized medical follow-up of all employees on a day to day basis
- Use of facilities at 50% of their capacity
- Measuring temperature 3 times a day (breakfast, lunch and dinner)
- Permanent use of masks, according to the risk group
- Use of hand sanitizer, permanent washing of hands
- Social distancing according to MINSA regulation
- Isolation of encampment from visitors and third parties
- Fumigation and cleaning of areas with higher frequency
- Rapid test every 5 days to detect new cases



4

Measures of temporary isolation, evaluation of suspected or confirmed cases, follow up and returning to work

We implemented a business continuity plan to overcome COVID-19 positive cases effects. These employees will be immediately taken to Iquitos for their attention.

The continuity plan includes cases of operations stoppage due to several reasons such as social or third party issues, determining a minimum contingent of field personnel and gradual evacuation of personnel.

5

Measures for personnel classified as at higher risk

We avoided exposing our employees who had the followed medical conditions:

- Older than sixty-five (65) years
- Hypertension
- Cardiovascular diseases
- Cancer
- Diabetes Mellitus
- Moderate and severe asthma
- Chronic pulmonary disease
- Chronic kidney failure in hemodialysis treatment
- Obesity with a body mass index (BMI) of 40 or higher
- Immunosuppressive disease or treatment or other immunosuppressive conditions



Finally, actions were implemented to provide some nearby communities with support. During the health crisis the situation in the Amazon region was alarming since medications were really scarce. Rapid tests to detect COVID-19 and more than 5000 drugs for the virus primary treatment were acquired and delivered to Bretaña Health Network that operates in two districts: Puinahua and Maquia, in the province of Requena.

3

About us



3.1 Our people

Our team is a key component within our company. We focus on building a positive organizational culture and on strengthening our relationship between collaborators and employer that relies on trust and communication. From the Human Resources Area, a customized treatment is given to collaborators and we are willing to solve any doubts and consultations. Currently, the challenge is to reinforce the company's culture remotely and adapt to the new normality.

This proximity to collaborators approach is in line with our human resources policy, the purpose and values, and reaches all PetroTal's personnel.

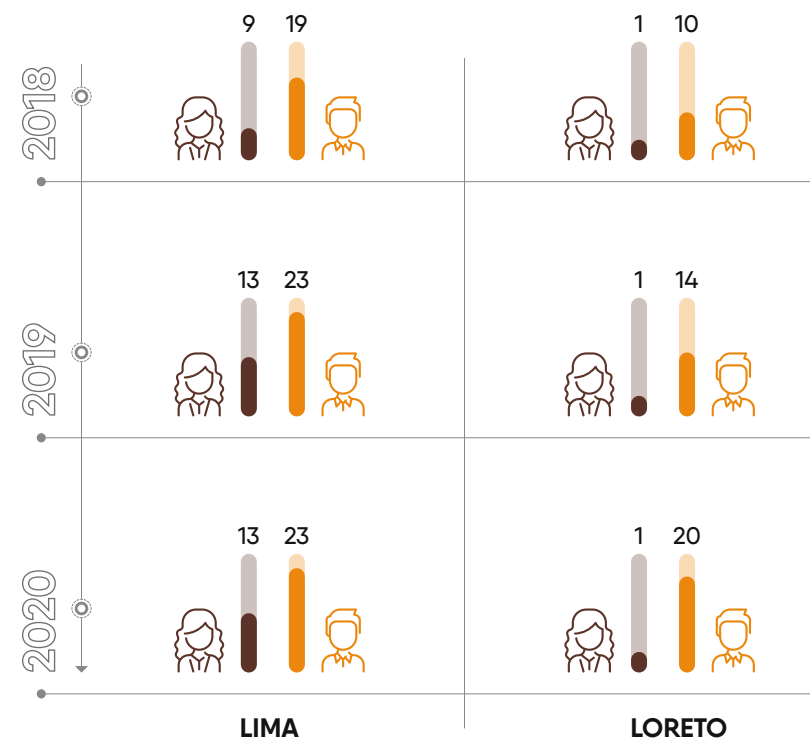


Structure

GRI 102-7, GRI 102-8, GRI 102-41

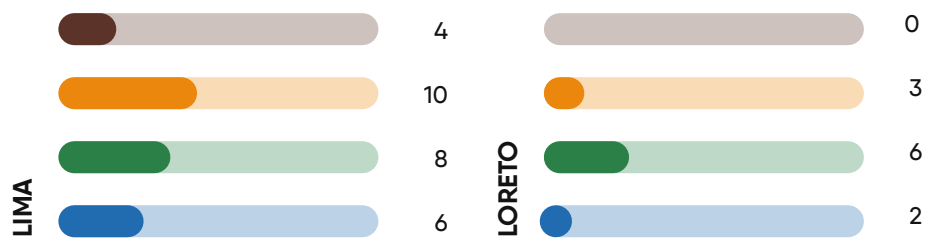
In 2020 the total number of employees was 57 who were distributed as follows:

Structure of employees by gender and location 2018 – 2020

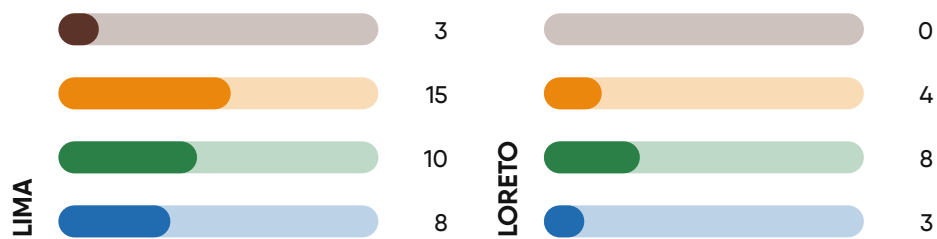


Structure of employees by position and location 2018 – 2020

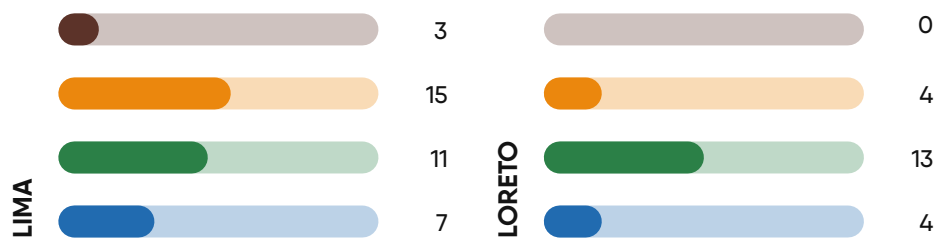
2018



2019



2020



→ **Top Management**



→ **Middle management / Experienced professionals**



→ **Coordinators / Mid-level professionals**



→ **Analysts / Assistants**

3.2 Employee Value Proposition

We work to strengthen the relationship with our employees based on trust and communication. In addition, our management focuses on planning, leading and optimizing the human resources management processes to fulfill PetroTal's strategic goals and ensure the sustainability and growth of the company. To that aim, goals focused on preparing and/or updating policies and plans were established.

Goals achieved in 2020

1 

Developing a schedule to prepare the Succession Plan

2 

Updating every description of position within the organization

3 

Zero cases of labor claims by collaborators

4 

Updating the company's vacations procedure and maintaining the follow-up of the company vacation record

5 

Creating remuneration policies and maintaining the company's table of categories and functions updated

Induction

The “Incorporation Passport”, a major tool of our induction procedure for new collaborators, was designed. The aim of this document is that the new collaborator gets to know, since day one, the purpose and values that regulates our daily activities. By means of this tool, they can also get a first close up view of the company’s core aspects whose aim is for the collaborator to embrace our purpose by listening to the major projects of Social and Sustainability Management, which generate more opportunities, and witness

PetroTal’s care for the safety and health of its collaborators. In this way they can feel responsible for the environment, and understand our operations to identify and commit to them.

Once a session with each area’s representative has finished, the collaborator requests the signature and seal of his/her “passport”. In this way, we make sure the employee gets to know the company’s main aspects and become our main spokesperson.

Training and Knowledge

Before the start of the current pandemic, we relied on an approved budget for personnel training of approximately S/ 14,000.00 for each employee, which included technical, specialization, courses abroad, partial financing of master’s degree expenses, among others. However, the situation forced us to greatly reduce our budget.

provided three of our collaborators with financial assistance in their studies. Two of them have our support because we are financing 50 % of their expenses of their master’s degrees studies. Our third collaborator wants to become an Industrial Engineer. Nowadays, he has only technical studies.

Despite this situation, we honored the commitments assumed before the crisis, and

With the purpose of recognizing his desire to improve, his professional growth and as a way of expressing our appreciation for the commitment to PetroPal, we provided 50% funding of his university studies.



S/14,000.00

approved budget for 2020
personnel training.



In turn, we opted to strengthen the trainings provided by the Management Committee of Training Resources (CAREC in Spanish). All 40-hour online courses (except the first one) covered mostly technical and managerial issues.

March

Businesses Strategies and Techniques in the Oil & Gas Industry.

June

Management and Optimization of Hydrocarbon Reduction's performance.

July

Design, manufacturing, assembly, and reconstruction of welded iron tank, according to API 650 and API 653.

August

2D 3D Seismic Interpretation (software)

September

Project Finance in the hydrocarbon sector

October

Handling of pipes' corrosion and integrity in hydrocarbons facilities.

November

Community Relationships and social indicators in the hydrocarbon industry. Social - Environmental Responsibility and Social Return Management of investments in the Oil & Gas sector.

December

International course on sustainable development of the hydrocarbon's industry.

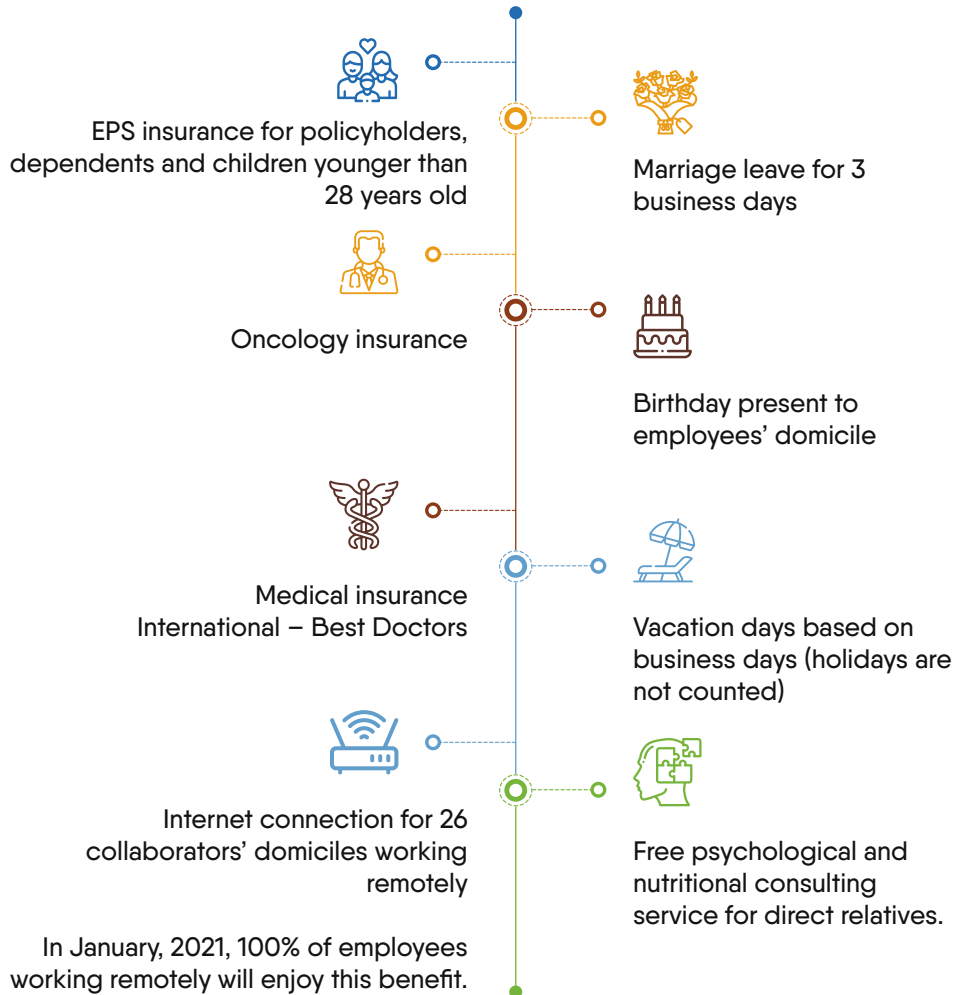


Additionally, the Leadership & Talent coaching program for leaders was implemented, and targeted to the company's directors. The program comprises a customized consultancy that seeks to develop specific competences in the leaders selected, which will help them continue developing their lives and professional careers based on their strengths. This will make them more qualified leaders to lead teams and keep promoting a sound work environment. By the end of 2020, four management areas were taking part in this program.

Benefits

GRI 403-3

At present we provide the following benefits to our collaborators:



At the end of 2019, the first pilot performance assessment was run so our collaborators get familiar with that evaluation and learn the aspects taken into account under the 90 degree appraisal.

At the start of 2020, the goals of each area were set, always in line with the company's KPIs. However, the crisis caused by COVID-19 interrupted the operations and, hence, the goals of the areas and the company were reassessed.

In 2021 we will return to our performance management model so that at the end of the year all our collaborators will have been properly assessed and will have timely feedback on the strengths and the areas of improvement, which will enable them to reach an optimum performance and fulfill the goals set.



4

Ethics



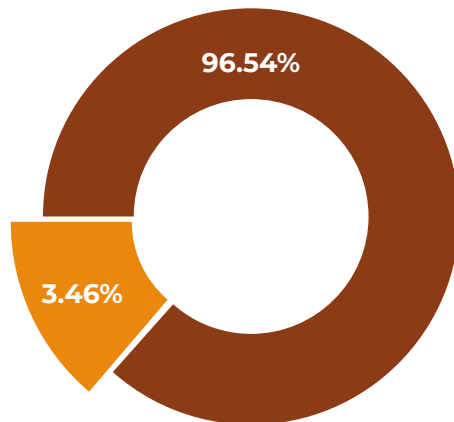
4.1 Business ethics and corporate governance

GRI 102-18, GRI 102-23, GRI 102-26, GRI 102-33

Our practices of good corporate governance are oriented to fulfill the PetroTal's purpose: "Create value and generate more opportunities for the benefit of all". In order to accomplish this purpose, we fostered the creation of value guided by our ethical principles, favoring transparency of information with our shareholders, employees, suppliers and clients.

PetroTal Peru's shareholders are comprised of the following companies:

PetroTal's shareholder structure



Shareholders:

- PetroTal International (Peru) Holding B.V. with 96.54%.
- PetroTal Peru B.V. with 3.46%.

PetroTal Corp owns all of the shares of these companies.

PetroTal Corp Governance Structure properly differentiates the duties of the company's direction and management from the functions of monitoring, control, and strategic definition. At PetroTal, the responsible person for the decision-making and management duties is our CEO Manuel Zuñiga, who leads the company's strategy and conveys the corporate decisions for the proper operation of the whole organization. In parallel our general manager, Ronald Egusquiza, provides the policy management to be executed in PetroTal Peru.

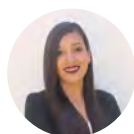
The PetroTal's top body is the leadership team responsible for the overall function of monitoring the fulfillment of objectives and goals in economic, environmental and social matters that are key to the organization. This team meets on a regular basis to report on progress and solve any problems that may arise in the management.



Our leadership team



Manuel Zúñiga
PetroTal Corp CEO



Claudia Sánchez
PetroTal Peru
Administrator & HR
Generalist



Ronald Egúzquiza
PetroTal Peru General
Manager



**Maria Eugenia
Pino**
PetroTal Peru
Executive Assistant



Paul Sánchez
PetroTal Peru Head of
Social Management
and Sustainability



Úrsula Céspedes
PetroTal Peru Finance
& Accounting Manager



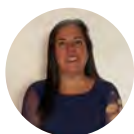
Manuel Muñoz
PetroTal Peru Safety,
Health & Security
Manager



Patricia Díaz
PetroTal Peru Legal
Manager



**Estuardo Alvarez
Calderon**
PetroTal Corp VP
of Exploration &
Production



Sonia Lou
PetroTal Peru
Environmental
Compliance & Permit
Manager



Guillermo Florez
PetroTal Peru
Commercial & Planning
Manager



Sandra Castro
PetroTal Peru
Institutional Relations
& Communications
Manager



Luis Pantoja
PetroTal Peru
Operations Manager



Antonio Zegarra
PetroTal Peru Subsoil
Manager

4.2 Irreproachable Conduct

GRI 103-1, GRI 103-2, GRI 103-3, GRI 205-1, GRI 205-2, GRI 205-3, GRI 419-1

At PetroTal we work guided by our ethical principles. In 2020 we have focused on strengthening our policy system, corporate procedures, and the Integrated Management System. This latter was established in line with the best practices and standards of transparency, independency, and responsibility.

Our commitment to striving for transparency and fighting corruption is reflected in our Policy of Crime Prevention and Compliance, Sanctions, Anti-bribery, and Anti-corruption, reinforced by the previously established commitments in our Code of Business Conduct and Ethics. Likewise, a crime prevention system was established to prevent, detect and respond before situations that may potentially infringe the current legislations or are perceived by our stakeholders as ethically questionable.



Our corporate policies



One of our most important tools are the claims channels available in our corporate web page or postbox in Lima's and Bretaña's headquarters. These are available for our employees and stakeholders to report their concerns on a reliable basis. In 2020, we have received no complaints. During the same period, PetroTal has not been penalized or sanctioned for any ethical, environmental, or social breach. Minor fines were received from Osinergmin because of the delayed 2019 reporting. These fines were accepted and paid, and then the situations were rectified to avoid similar scenarios.

4.3 Risk and crisis management

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

Our risk focus is a continuous process that upholds our directors' decisions and allows us to identify bigger risks to the company so the General Management can prioritize the company's efforts to transfer them or remove them in line with the risk mitigation strategies established.

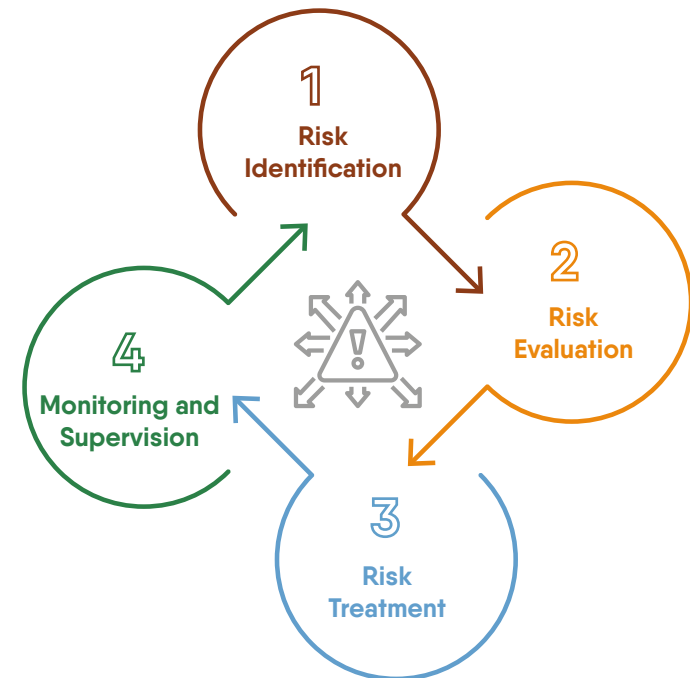
PetroTal is exposed to risks of different nature that may impact the organization's future performance and that should be reduced as much as possible. For its proper management, PetroTal has developed a risk map with a structure defined by five big categories as detailed below:



The PetroTal (SIGRP)'s Integrated Management System of Risks is based on the Strategic Risks Management Policy that provides for a global view of all risks that may affect the company.

Through SIGRP, the process of identification, evaluation, treatment and monitoring of risks was accomplished. Then the resulting risk map goes through a quarterly review and each management or leadership is responsible for the risk management and the updating in accordance with the main indicators and environmental conditions evolution.

Risks Management Stages



5

Operations

SEPARADOR
TRIFASICO
V-196

 PetroTal



5.1 Operational efficiency

Operations are focused on the hydrocarbon exploitation under the framework of our integrated policy and respect for stakeholders and the environment. Exploration activities are also conducted to replenish the reserves produced. These activities are currently in the Environmental Impact Assessment (EIA) stage. To ensure that our operations are underway according to our framework, we have established objectives and metrics related to the business core (production, cost control and plant availability) and cross-cutting objectives (safety, health, environment and local employment).

Main metrics:

Crude oil production

We estimated that, at the end of 2020, we would extract 20 000 barrels per day. However, the pandemic and oil pipeline shutdowns impacted our operations and we closed with an average of 6413 bopd in the 2020 fourth quarter. However, we were the only operator working in Peru's northern Amazon.

Reinjection of produced water

As part of in-plant processing and compliance with regulatory commitments, we separated the water from oil, treated it and re-injected it into the subsoil at a rate higher than 40 thousand barrels per day. During the year, we have re-injected more than 10 million barrels of water.

Lifting cost and unit cost

The first term denotes the cost of extracting, processing and placing the crude in line with the specifications for commercialization. The second cost includes transportation from Bretaña dock to the delivery point. These costs are within the estimates for 2020, despite production restrictions.

Plant availability

In the same cluster, we have drilled both directed and horizontal wells, which allows us to extract more crude to process it and have less impact on the environment. We have three process units, from tests, early production and processing center. Construction of a fourth processing plant is underway to increase our production to more than 20 thousand barrels per day.

Zero incidents

We have had zero fatal incidents in our operations. Keeping these standards is part of our commitment and contractors who are our strategic allies.

Man-days of local employment

With total man-hours worked - MHW: 128,463.

Zero spills

We have had zero spills affecting soil, water and air bodies. Our prevention/containment systems prevent contamination. Minor spills were contained before harming the environment.

Production process description

There are two process units operating at the plant, with a total capacity of up to 16,000 barrels per day of crude treatment. Our operation relies on a robust SCADA instrumentation and control system, which allows us to operate our process units from the control room. Once the crude is extracted, we treat it to make it to specifications according to the sale commercial conditions, either of the Iquitos refinery, the North Peruvian Oil Pipeline (ONP in Spanish) or another client. The variables to be placed to specifications are the following:

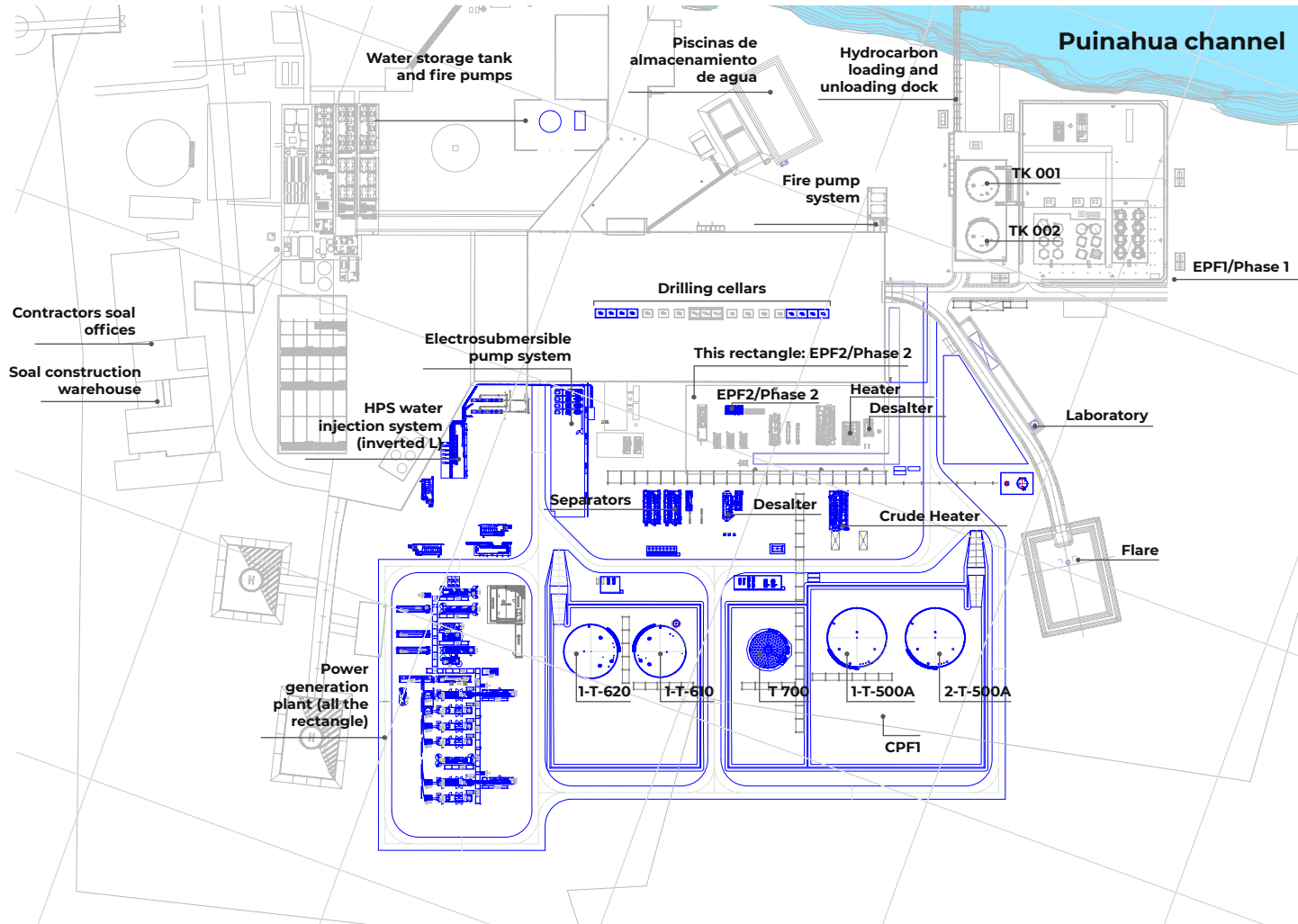
Variables	ONP	Iquitos
Water content or BSW	< 1%	< 1%
Salt content	< 10 PTB	< 25 PTB
Maximum viscosity	620 centistokes at 25°C	
Minimum API gravity		20.7 °API

■ No specific level required.

The process was started by separating fluids produced from wells (oil, water and gas) through three-phase separators. Afterwards, the separated crude goes through two heat treaters, temperature helps separate the remaining water. This crude flows through two electrostatic desalters that can reduce the salt content in the crude below 10 pounds per 10,000 barrels (10 PTB). Finally, diluent (natural gasoline) is added, thus improving viscosity and, hence, API grade so it is fit for sale. All the crude, according to commercial specifications, is transported by barge to either the Iquitos refinery, the ONP or other destination as required.



Our Facilities





Projects

We are ready to any improvement opportunity to enhance efficiency in our operations and reduce our impact on the environment. During 2020, several projects to reduce our impacts and improve efficiency were started.



Change of incinerator

We want to improve the technology of the organic waste incinerator and adapt it to gas. We plan to conclude the installation in January 2021.



Ferrenergy plant

“We produce electric power with our own crude and thus we avoid transporting it by barge. At the end of February, building of the plant was concluded. Due to the pandemic, commissioning had to be started at the end of 2020. The plant is expected to be complete at the beginning of 2021.



“Zero Discharge” Project of liquid effluents

The water extracted from the river for household use is processed at the Wastewater Treatment Plant (WWTP) and returned to the water source. However, we want to eliminate the disposal of treated wastewater into the river and instead dispose of it in the environment by micro-spraying and bringing it into conditions according to the environmental EQS. This is still under evaluation.



Use of non-contaminated sludge

We use the harmless sludge that emerges from drilling for structural backfill. This way we avoid its final disposal outside the Block and it is an environmentally friendly option.

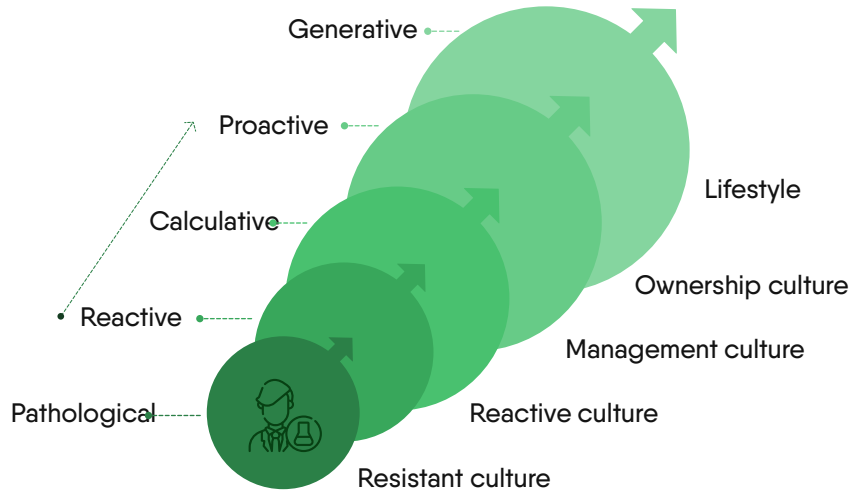
5.2 Occupational safety and health

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

Safety and health are central to our operations, which involves all of our employees and contractors. Our management is regulated under the integrated policy with a full scope of the operation. During 2020, we have worked to improve our management and lay the foundations for a culture change in safety and health matters. Now, the spotlight is on the risk and incident management through a program with the active participation of all personnel. That is to say, a change in the HSS culture level has been started with a preventive/proactive (leading) approach and is under the implementation process.

HSS culture ladder

Increased credibility and information



For this new focus of management, five pillars have been established to consolidate the cultural change.



Five pillars of health and safety



Empowerment and accountability

The new work philosophy relies on an empowerment and accountability program:

Actively involve all general and operations management as the responsible people for results (empowerment), along with an accountability scheme. In doing so, we want to show the real leadership that must be applied to our operations from top positions.

Actively involve the middle management line (heads and supervisors) in operational management, by measuring its HSS management within its action scope, measuring ATENTO reports, inspections and audits, safety interventions, safety initiatives, control of its bridging documents with contractors in charge, etc.



Contractor management

A second pillar is to actively take part in the management of contractors. This includes the stages of selection, awarding, implementation/operation, demobilization and conclusion/abandonment of the project.



→ **Risk management**

The third pillar is the core of the system as it identifies and controls risks in each of the processes. To this end, we work on the development of IPER, HAZID, LOPA, HAZOP matrices, among other evaluations. This allows to act preventively and, in case an undesired event occurs, it will have minimal consequences.

→ **Incident management**

The fourth pillar leads us to the research of events. The causes are determined, even at the level of management failures, identifying opportunities for improvement and lessons learned, which are communicated to all personnel.

→ **Implementation of the Integrated Management System**

The fifth pillar is the implementation of the integrated management system (IMS), which will be certified with ISO 45001 in the following two years.

With respect to indicators, we have moved from reporting reactive KPIs (lagging) to preventive/proactive KPIs (leading). On the other hand, we have nine principles that govern safety and health in our operations.

Principles of occupational health and safety



Prevention

We guarantee that activities are carried out under means and conditions that protect life, health and well-being of employees.



Responsibility

We are responsible for the economic, legal and other implications resulting from an accident or disease suffered by the employee in the performance of its duties or as a consequence of it.



Cooperation

We establish mechanisms to guarantee permanent collaboration and coordination in occupational health and safety issues.



Information and training

We provide timely information and preventive training with emphasis on potentially risky situations for the life and health of employees and their families.





Comprehensive management

We promote and incorporate occupational health and safety management in the general management.



Our employees are entitled to the required and sufficient healthcare services until their recovery and rehabilitation, seeking their labor reinsertion.

Our employees are entitled to the required and sufficient healthcare services until their recovery and rehabilitation, seeking their labor reinsertion.



Consultation and participation

We promote and implement consultation and participation mechanisms with employees at all levels and duties for the improvement in occupational health and safety issues.



Primacy of reality

We provide complete and accurate information to national authorities on matters regarding compliance with occupational health and safety legislation.



Protection

We ensure proper working conditions that guarantee a healthy physical, mental and social status of life in a continuous manner.



As for 2020 goals, seven general goals were established in the Annual Program of Occupational Safety and Health Activities (PAASST in Spanish).



% of compliance

• **General objective**

• **Activities**

100%

Develop a prevention culture

We disseminated the incidents and weekly report with HSS activities to all personnel. 52 reports issued.

100%

Continuously improve OSHMS

We permanently reviewed processes through audits and inspections and we conducted improvements when required.

96.00%

Improve accident and incident management

We trained key personnel in the accident research course, inspections and audits with a preventive approach, determining root causes and management failures.

95.83%

Comply with PAASST

We conducted PAASST on the field, despite the pandemic and other exogenous factors.



% of compliance

• **General objective**

• **Activities**

93.20%

Optimize risk management

We improved risk management.

80.00%

Optimize emergency response

We developed exercises, drills, review of contingency equipment, future testing of the firefighting system, purchase of contingency equipment, review of contingency procedures, among others. Some exercises were postponed as group interaction was required.

70.93%

Implement and keep MS - Occupational Health

All medical information is found in an outsourcing service, due to the nature of the service. COVID-19 plans are part of the IMS system. Additional occupational health information is being created and incorporated into the IMS.

50.94%

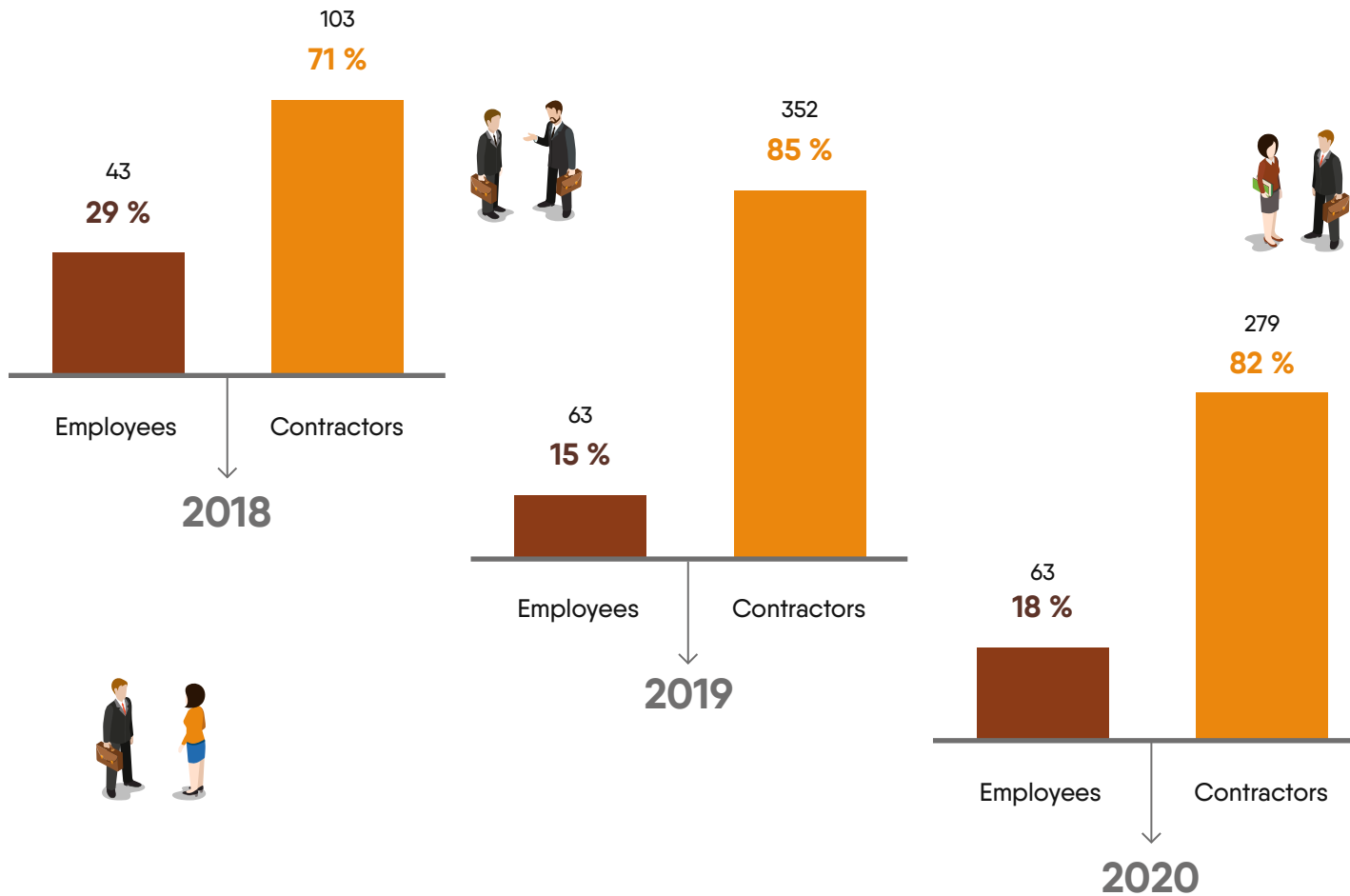
Promote commitment to occupational health and safety.

We implemented the “This is my commitment” campaign, from top management to middle management levels. It has been postponed to 2021, as effective presence is required during operations.

Safety and Health Indicators

GRI 403-8, GRI 403-9, GRI 403-10

The number and percentage of employees and contractors are included within the Occupational Safety and Health Management System. All of them are subject to internal audit and third party audits:



Workplace Injuries in PetroTal employees

	2018	2019	2020
Number of hours worked	98 640	149 440	154 040
Number of deaths because of a workplace injury	0	0	0
Rate of deaths resulting from a workplace injury	0	0	0
Number of disabling accidents	0	0	0
Rate of disabling accidents	0	0	0
Number of minor accidents	0	0	0
Rate of minor accidents	0	0	0

Note*): According to records reported to OSINERGMIN / Not under PMO classification. 1000 000 MHW is being considered for the calculations of accident rates.

Workplace Injuries in contractors

	2018	2019	2020
Number of hours worked	451 140	1 541 760	1 222 020
Number of deaths because of an injury from a workplace accident	0	0	0
Rate of deaths resulting from an injury from a workplace accident	0	0	0
Number of disabling accidents	0	1	1(*)
Rate of disabling accidents	0	0.65	0.82
Number of minor accidents	0	39	9
Rate of minor accidents	0	25.30	7.36

Note(*): The case reported as serious to OSINERGMIN qualifies as RWC for PMO, hence 0 LTIs. 1000 000 MHW is being considered for the calculations of accident rate.

The main workplace injuries are eye-related (ingress of foreign objects/particulate matter), bruises, and minor contusions in upper and lower limbs.

Safety and Health Trainings

GRI 403-5

Trainings conducted during the year comply with the regulatory/operational (with emphasis on those with high risk) and corporate requirements. Likewise, collaborators and contractors are included to receive training in occupational safety and health.

Issues addressed on trainings



PetroTal Personnel

- ▶ RISST Training
- ▶ Contingency Plan
- ▶ Work Permit System
- ▶ Safety Briefings
- ▶ Basic theoretical - practical training on prevention and attention of emergencies



Contractor Personnel

- ▶ Blocking and Labeling
- ▶ Electrical Risk
- ▶ Control and Management of Emergencies with Hazardous Material
- ▶ Survival in rainforest and river
- ▶ Safety, Health, and Environment PetroTal Policy
- ▶ Hazards Identification and Risks Evaluation (IPER) - Workplace Safety Analysis (AST)
- ▶ IPER with a COVID19 approach / Workplace Safety Analysis



Members of the HSS area

- ▶ Firefighting - industrial
- ▶ Tasks in confined areas
- ▶ Work at heights
- ▶ Electric Risk (NFPA 70E)
- ▶ Safety in hoist and cranes
- ▶ Control and Management of Emergencies with Hazardous Material - Level III
- ▶ NFPA:10, 11, 15, 20, 25, 101 - IFSS Incidents Command
- ▶ HAZOP

Implemented Measures

Based on the national regulations and risk analysis, an additional scheme was established for the proper use of personnel protective equipment in operations for the prevention and control of the COVID-19 in addition to the EPP standards.

Personnel Protection Equipment Scheme

Risk level of job occupation	Surgical Mask	Surgical Respirator (FFP2 or N95 or any similar)	Facial Protection	Protective Glasses	Gloves for Biological Protection	Biological Protective Suit	Protective Boots
Extremely high exposure risk		X	X	X	X	X	X
High exposure risk		X		X	X	X ^(*)	
Medium exposure risk	X						
Low exposure risk (precaution)	X ^(*)						

X: mandatory use

* : use of an apron or a coat



It is important to mention that this year we were awarded the “Disinfection Monitored” Biosafety Seal by SGS, which makes us the first E&P company in Peru to obtain this certification. This distinction integrates a process of on-site verification and monitoring of the plans and protocols effectiveness implemented in our operations, as well as compliance with current regulations to counter COVID-19. In doing so, we demonstrated that we have adopted the necessary measures to keep a safe operation, with a successful risk management against COVID-19, thus ensuring the health of our employees and therefore the business continuity. To this end, SGS sent a multidisciplinary team to verify our operations, and they carried out the following activities:

Validation of the effectiveness of hygiene and disinfection protocols and procedures in our operations.

Evaluation and identification of the environments with the highest risk of COVID-19 contagion

Verification of cleaning and disinfection of work areas

Identification of COVID-19 symptomatology documents required prior to entering operations

Evaluation of hand washing and hand sanitization stations

Measurement of the awareness of the prevention of contagion among employees

Validation of collective preventive measures

Control of use of personal protective equipment

Verification of control of work-related comorbidities in the COVID-19 context.

Analysis and measurement of cleanliness levels, through 40 disinfection tests (ATP) and air quality monitoring at our Bretaña operation.

On the other hand, during this year, PetroTal carried out, through a third party company, the Occupational Monitoring of Physical, Chemical, Psychosocial and Ergonomic Agents in Workplaces, in Lima's offices and in Block 95 operations, the results of which were positive.

We were also audited by an accredited auditor of the Ministry of Labor concerning Act 29783, the Occupational Health and Safety Act, which is our baseline. Based on the results and experience, it was decided to audit twenty contractor companies under the same scheme.

List of contractor companies

● Ferrenergy

● Ichik kabil

● Secomin

● Transporte Júpiter

● Lamor

● Sertecpet

● Transporte Da Costa

● INMAC

● Alpha

● Transpacífico

● G4S

● Pro Naturaleza

● Black Road

● Confipetrol

● SOAL

● Bureau Veritas

● Cosmos

● Newrest

● PIL

● HTIC

5.3 Supply chain

GRI 102-9

Our purchase management focuses on identifying factors and positions that affect each of our goods and services purchasing processes. In doing so, a scope of action is established for each process. In addition, the decision making is based on policies, controls and instructions established by the parent company. That is to say, the company is governed by the standards and provisions, such as the Foreign Corrupt Practice Act of USA, applicable to the countries where it operates.

At local level, we follow internal policies, procedures, and provisions. There is a mandatory purchasing and hiring process applicable to the acquisition of any goods and/or services. Also, there is an approval process of suppliers and another one of local products and services purchase. The first one is applicable to each company that wish to render a service or material. The second one seeks to promote the formalization of local business and the organized production of goods and services that are useful in our activities.

Our policies have the following objectives and metrics:

Objectives



1. Establish and provide the guidelines, controls, and responsibilities for proper management in the purchasing and contracting processes.



2. Ensure that all equipment purchases, materials, supplies, and services are obtained in the deadline, of quality, at the lowest cost and of the well-equipped suppliers.



3. Ensure that all acquisitions are duly supported by contractual documents, which precisely define the commercial and warranty terms to facilitate control by the user and avoid potential disputes.

Metrics



1. Processing time of each purchase order



2. Execution of the purchasing plan



3. Savings achieved versus budgets Approved

These objectives were not set during 2020 due to the operation stoppages. However, they set the starting point for 2021 procurement management.

Critical Suppliers

The critical suppliers are those who provide essential products or services for our operations.

List of Critical Suppliers

Name	Description of product/ service rendered
Petrex	Drilling equipment supplier
Schlumberger	Leading Well Construction Service Provider
Sertecpet	Main executor of EPCs associated with oil production plants
Inmac	Main contractor for services of civil construction and logistical support
Confipetrol	Field production service provider
Newrest	Food, cleaning, and laundry service
Ferrenergy	Central electricity generation service
Transportes Fluviales Da Costa	River transportation of hydrocarbons
Transportes Júpiter	River transportation of hydrocarbons
Transpacífico	River transportation of hydrocarbons



Local Suppliers

We work with local suppliers and rely on a purchasing process and local services, in which the mechanisms to carry out these tasks are detailed.

Proveedor	Industry
Residencial Casa Grande	Accommodation
Comercial y Hospedaje Amparito	Accommodation and Groceries
Restaurante Luz Estela	Food
Restaurante Milagritos	Food
Bodega, Hospedaje y Restaurant Gonzalez	Groceries, Food and Accommodation
Comercial Kiara & Ariana	Groceries
Hospedaje 4 Hermanitos	Accommodation
Restaurant La Muyuna	Food
Comercial Erick Alfredo	Groceries
Comercial Moncada	Groceries
Multiservicios Arelis	Carpentry
Comercial Darlen Joel	Groceries
Servicios Generales Ángel	Food
Novedades Greys	Groceries
Hospedaje Plaza	Accommodation

Source: 2020 Social Management and Sustainability – Puinahua local suppliers





Supplier Development

At PetroTal, we believe that the development of suppliers is a serious matter and we take actions accordingly. This year, we focused our efforts on Iquitos, the closest city to our operations, and the companies were successfully brought up to the requirements. In addition, work was carried out with the river transportation operators to improve their operating systems, steering instrumentation and their vessels' tanks. Similarly, the company has a procedure to help entrepreneurs set up local businesses for the supply of food and groceries.

The training is in the hands of the Social and Sustainability Management Area, and includes technical training for residents, and legal advice for local companies.

Risks

The main risks related to the supply chain that can significantly affect our operations are the following:

3

Uncertain delivery timeframes or product quality, or disruption to the productive process due to the lack of products.

2

Disruption of the service suppliers' operations due to a decrease of local demand or closed non-competitive local markets.

1

Disruption of the supply chain due to natural, social and/or political events.



Some of the actions taken to decrease the impact of these risks included a continuous search for alternate suppliers and product substitutes, and the assessment of alternate delivery routes.

Selection and Assessment

On the basis of the national regulations and risk analysis, and building on top of the standard use of PPE, an additional scheme for the adequate use of personal protective equipment was established at the operations to prevent and control COVID-19.

1 Receiving information

“Supplier information” form needs to be filled out.

2 Financial assessment

A query is made to SENTINEL to obtain financial information.



3 Judicial assessment

A query is made to OPALO to obtain police and judicial information.

4 Due Diligence (*)

(*) Depending on the relevant amounts, additional information is requested through a “Due Diligence” form.

Periodical standardization processes have been carried out by audit firms using the “Supplier Standardization Survey”. This process will resume by 2021.

6

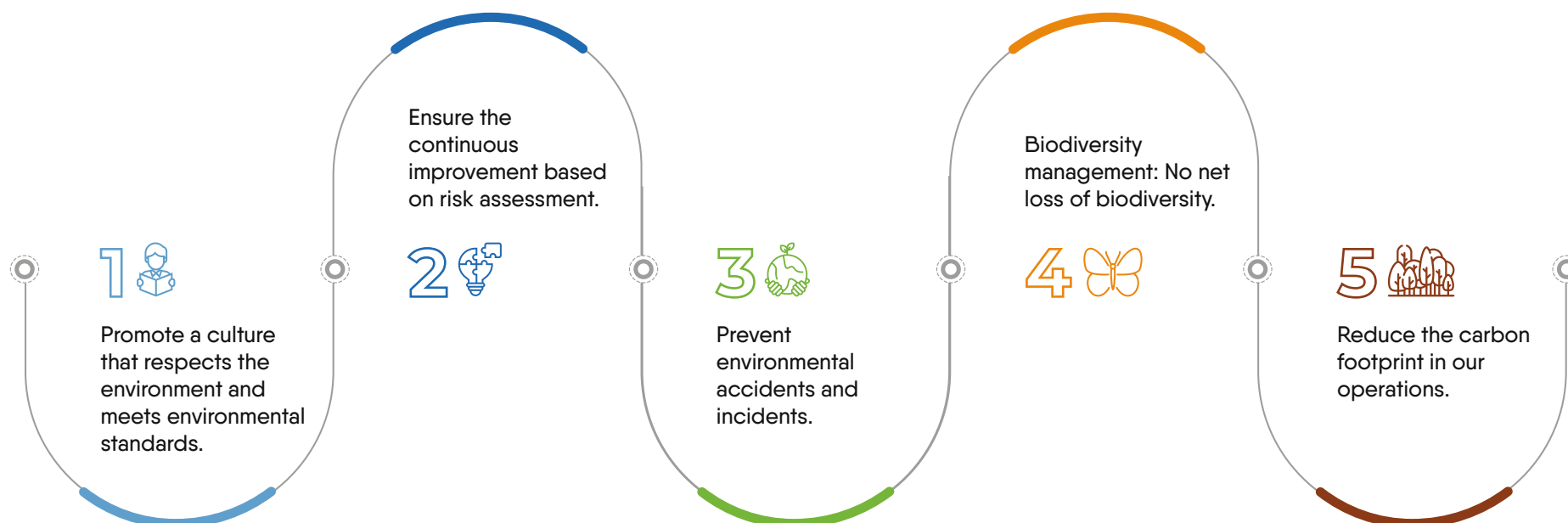
Environment



6.1 Environmental management

GRI 102-11, GRI 307-1

At PetroTal, we are committed to environment protection and preservation through the application of national regulations and the best international standards used in the sector to ensure the safety of our activities. We respect the populations influenced by our operations, and promote a culture that seeks to care for the environment, protect biodiversity, safeguard employees, contractors and related parties by complying with the environmental obligations and regulations we have undertaken to observe. We took actions to implement the guidelines defined in the Safety, Health, Environment and Social Responsibility Policy, through the Environmental Management Plan of Block 95, which observes the environmental obligations set forth in the Management Strategy of the Environmental Impact Assessment and other complementary licenses. We work on the basis of five main objectives:



To encourage a culture that respects the environment, in 2020 we worked on the Environmental Care Program (Programa Atento Ambiental), a registration system that allows to monitor any environmental event related to biodiversity protection, as well as to follow up on the Pacaya Samiria Reserve and waste generation, among others, in order to prevent environmental incidents. A recognition is awarded to the best report submitted.

Main Environmental Indicators



Implemented Environmental Management System:

- The work plan of the Atento Ambiental Program was executed in full. This prevented environmental incidents from occurring.
- No sanctions due to environmental non-compliances in 2020.



All strategic risks are assessed and have mitigation plans in place:

- Approved waterways vulnerability study.
- The measures defined in the Contingency Plan were executed in full.
- No spill considered an environmental emergency.
- Rapid spill containment response drills executed in full.



Energy efficiency:

- Carbon Footprint Quality Certificate obtained for the total reported emissions, which amounted to 15,043 MT.
- Ongoing emission reduction plan.



Protection of biodiversity and ecosystem services:

- Approval of an environment restoration program known as “Naturaleza por Naturaleza” (“Nature for Nature”) for all the intervened areas.
- **The flora and fauna rescue program was executed in full:**
 - 289 reptiles (herpetofauna) were relocated.
 - 20 minor non-flying mammals were relocated
 - 11 Orchidaceae, Araceae, Polypodiaceae individuals were relocated.recolocados



PetroTal is committed to its surroundings and the environment and it has a work plan in place to fully align with the IFC's performance standards for environmental and social sustainability. Pursuant to these guidelines, the following was achieved:



- The environmental management system was approved.



- All projects have a Strategic Risk Evaluation Matrix that prioritize environmental, social and human rights matters.



- Cumulative Impact Assessment for the Bretaña project and valued environmental components (VEC) management plan.



- Implementation and approval of Environmental Compensation and Restoration Plans, aiming for no net loss.



- Prioritized spill response programs.



- 40% reduction of greenhouse gas emissions by 2030.



- Preparation of a Zero Spills plan in platform 2.

6.2 Spill prevention

GRI 103-1, GRI 103-2, GRI 103-3, GRI 306-3

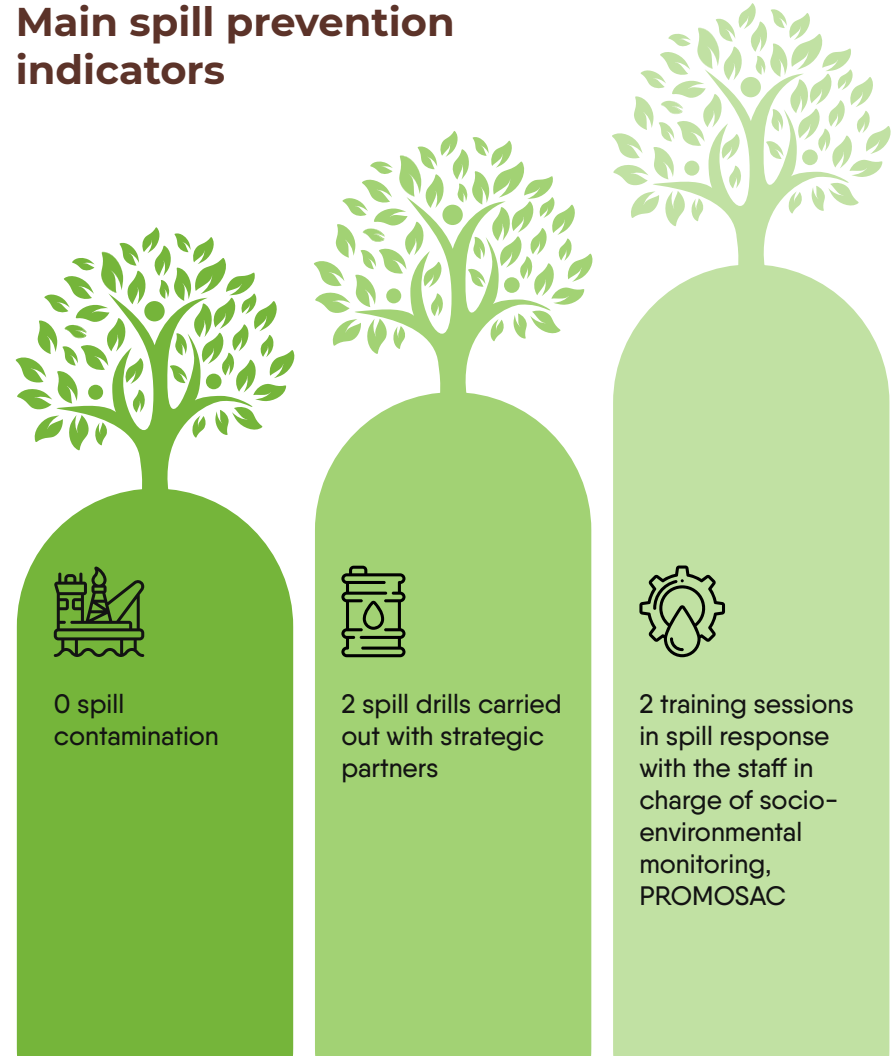
At PetroTal we aim at preventing crude oil leaks and spills from occurring. Accordingly, our work follows strict protocols, managing effective preventive, actions and control plans that minimize the likelihood of occurrence and the impacts. If, eventually, any type of spill takes place, we are prepared to minimize its impact and consequences through agreements executed with suppliers of this type of services, who guarantee their expertise and the employment of the best tools and equipment when assisting during this kind of event to provide a rapid and effective solution.

One further aspect to prevent spills is related to the operations executed by employees and the contractors' staff, and, accordingly, we focus on their training and preparation in prevention, readiness, response and recovery of the impact caused by any accident that may occur. In addition, rapid response containment drills for river spills are carried out with the participation of the population. These drills take place, at least, twice per year and they are strengthened with a training program.



- 1 ● **Spill prevention**
- 2 ● **Early spill detection**
- 3 ● **Emergency management**

Main spill prevention indicators



6.3 Climate change and emissions

GRI 103-1, GRI 103-2, GRI 103-3, GRI 302-1, GRI 302-3, GRI302-4, GRI 305-1, GRI 305-5

In PetroTal we are aware of the impact of our operations, and we implemented compensation strategies to mitigate climate change. We report the calculation of the carbon footprint and outline programs to reduce greenhouse gas emissions and energy used in the company's operations (both directly and indirectly).



Climate Change Policy

We know that climate change is a matter that requires a rapid and effective response. For this reason, in PetroTal we are preparing an emission reduction plan aligned to our climate change policy, which will serve as guide to achieve lower emissions in the future.



Carbon Capture

PetroTal is working on a project in the 7 de Junio native community to plant 7.45 hectares of forest and global ecosystem. For this purpose, 8237 forest species will be planted. The restoration project will last for at least 23 years and its reforestation activities exceed what was defined in the EIA.



Carbon Footprint

A study to determine the carbon footprint (greenhouse gas emissions) of PetroTal's operations was carried out in accordance with the ISO 14064 methodology. Our management has three defined scopes:

Scope 1: Fuel and fixed machinery, fuel and mobile machinery, burned gas and air conditioning.

Scope 2: Grid electricity consumption.

Scope 3: Shift paper consumption, air travel, local transport, generated waste.



Equipment Efficiency

In PetroTal we have new and efficient equipment that allows us to reduce CO2 emissions. We make sure that our equipment uses the best technology and receives maintenance on schedule, and we are furthering this effort by outlining an emission reduction plan.

Main Climate Change and Emissions Indicators



70.05%

22.76%

15,043 MT of direct CO2 GHG emissions during 2019

70.05% fuel consumption in fixed equipment

22.76% burned gas



6.4 Biodiversity

In PetroTal, biodiversity management aims at achieving zero net loss by determining a compensation to the biological environmental impact resulting in the destruction of biodiversity or landscape value during the project's implementation, which takes place in front of the Pacaya Samiria Reserve. The goal is to protect the biodiversity, because the Pacaya Samiria Reserve is the largest floodplain forest of South America and a natural shelter for endemic, critically important species, such as manatees, monkeys, pink dolphins, taricayas, paiche, arahuana, among others. Moreover, its ichthyologic wealth makes it a source of sustenance for the riverside populations. Accordingly, we seek to attain a positive balance by setting up measures to maintain the ecosystems' biodiversity and functionality through the following:

Studies to establish cumulative impacts in the area



- ▶ Study the paiche exploitation.
- ▶ Monitor river transit.
- ▶ Monitor aquatic biodiversity.
- ▶ Vegetation cover.

Restoration



Restoration project to take place at the 7 de Junio locality to plant 7.45 hectares of forest ecosystem and floodable forests.

Environmental Compensation



Compensation agreement execution with SERNANP. Investment worth S/14 million to preserve the ichthyologic resources of Pacaya Samiria.

Main biodiversity indicators



100% compliance with environmental monitoring and baseline.



Execution of 24-year agreement with SERNANP.



Forest restoration plan during the 23-year project.



During the clearing of trees process, the flora and fauna rescue program was fully executed:

- 289 reptiles (herpetofauna) were relocated.
- 20 minor non-flying mammals were relocated
- 11 Orchidaceae, Araceae, Polypodiaceae individuals were relocated.



6.5 Water and effluents

Water is used efficiently by preserving the aquatic environment and by following strict environmental quality guidelines. The water used in this project is taken from the Puinahua channel using a water pump, and it is used as domestic water at the encampment, and also for productive activities (operation, drilling and construction). The domestic and industrial waste water is treated according to the water quality requirements, and then discharged into the Puinahua channel. The following activities were carried out to guarantee an adequate water management:

1



Flora and fauna biological monitoring programs, analysis of water, ground, air quality.

2



Implementation of compensation plans, restoration plans, landscape restoration plans, maintenance plans, soil protection plans. River transportation program for crude oil loading and unloading.



3



Agreement with SERNANP, including the implementation of recommendations made by the cumulative impact study.

4



Programs to raise awareness on environmental matters among our employees and the communities within our areas of influence.

Main Water and Effluents Indicators



All the discharges were within the parameters. No alteration of surface or ground water related to our activities.



All bodies of water under the water resources program were monitored.



No unauthorized discharges.



Future challenges:

- Operation: Zero spill plan and implementation.
- Environment: Control and sustainable management of bodies of water.



6.6 Waste

In PetroTal, waste is managed in accordance with the Law on Comprehensive Solid Waste Management (DL N°1278) and its Regulations (DS N° 014-2017-MINAM), in line with our Safety, Health, Environment and Social Responsibility Policy. The Solid Waste Management Program establishes the general guidelines for managing solid waste, from generation, collection, classification, centralized storage and transportation, to final disposal. IFC standards on waste management are complied with, and waste volume is reduced through the following initiatives:



1

Implementation of good operating practices

2

Training and awareness programs

3

Selection of long-lasting products

The main types of waste are categorized as hazardous and non-hazardous. Non-hazardous waste comprises domestic and industrial waste. The former are generated during the encampment's daily activities (cooking, laundry, food service, offices and rooms), and they are subdivided in domestic-organic non-hazardous waste and domestic-inorganic non-hazardous waste. On the other hand, hazardous waste produced at the operations require a different treatment, albeit some of the waste is also classified as industrial-inorganic non-hazardous waste.

Non-hazardous waste



Organic domestic waste

Waste generated in the kitchen and hall areas. The waste resulting from the maintenance of the encampment's green areas has fast degradation rates. The waste can comprise food or fruit leftovers, vegetation remains, wood, etc.



Inorganic domestic waste

Waste generated in the kitchen, laundry, offices and living quarters. The degradation rate takes longer. The waste comprises plastic, paper, cardboard, cans, glass, ceramic, among others.



Industrial waste

The generated waste includes glass, plastic, pipe components, small metal pieces, and any other generated material that is non corrosive, reactive, explosive, pathogenic, flammable, combustible and/or toxic, and which are not in contact with hydrocarbons, solvents, other contaminant liquids and waste resulting from drill holes that are not in contact with hydrocarbons.





Hazardous Waste



Construction

Waste generated during the implementation of the platform, deep drilling in sandy areas with presence of hydrocarbons in development drill holes, cuttings injection wells, drilling of water disposal wells, and construction and implementation of facilities for on-site handling, treating and processing of the production that has been in contact with hydrocarbons.



Operation Waste

Waste produced by the maintenance activities carried out at the production premises, CPF and surface facilities, which has been in contact with hydrocarbons or chemical products.

Main Waste Indicators



Zero sanctions related to tidiness and cleanliness or inadequate waste storage.

Circular economy: Plan to reduce waste with local value; production of ecological bricks made of waste generated in local communities.

Future challenge: Plan to reduce domestic-organic waste:

- Decrease use of paper by 50%.
- Treat 30% of organic domestic waste through compost.





7

Social

7.1 Long-term relationships

GRI 102-12, GRI 103-1, GRI 103-2, GRI 103-3

Social responsibility has three main pillars: participation, responsibility and entrepreneurship. By integrating these three aspects and making them fit together, we are able to empower the local populations around our project, contributing to their economic and social development and allowing them to control their livelihoods. This is achieved through joint, coordinated work with the State, focused on enabling the population to reach full economic and social development. These pillars are directly connected to our purpose as a company:

“To create value and generate more opportunities for the well-being of all.”

As a company, we responsibly contribute to the development of the Region of Loreto. We seek to break free from the handout mentality paradigms that have existed in the extractive field for so long. We face the challenge of setting up local initiatives to improve the living

conditions of the population and which must be recognized by the district, province, regional and national governments. Moreover, it is important to bear in mind that productive and local employment initiatives should not lead to the population's dependency on the company's activities. PetroTal's purchase of local products and services should complement the population's activities while avoiding the creation of an economic dependency.

The focus of the Peruvian State to allocate the relevant public investment to the District of Puinahua, Province of Requena, Region of Loreto, is paramount for the company, because this is the district where the hydrocarbons of Block 95 are produced.

Our long-term commitment is to foster productive, cultural and political activities, which in turn will generate value chains, strengthen stakeholders, and pave the way for future generations while preserving the availability of resources.



The progress made is expressed through the objectives and metrics established during the year, in line with the United Nations Sustainable Development Goals (SDG). The objectives that bring us closer to our pillars and the metrics that record our progress are:

Objectives



Biannual assessment of our social performance in the populations within our area of influence.



Proper management of opportunities to hire non-qualified local employees.



Develop projects focused on local productive entrepreneurship.



Maintain direct and participatory communication with the area of influence.



Generate annual information on social management to keep the stakeholders, partners and investors properly informed.



Metrics



Number of perception assessments carried out with the main leaders of the Puinahua localities.



Percentage of non-qualified local employees hired by our operation, per need.



Number of agricultural and/or aquaculture and/or artisanal fisheries and/or small cattle farms productive projects.



Number of communication processes held with authorities, leaders, and residents of the area of influence.



Number of GRI sustainability report for the year.



Keeping an Eye on our Community

GRI 413-1

Communication with the community is crucial in our activities. A grievance and complaint procedure is available to the populations through the Social and Sustainability Management team and people can report any incident or potential risk. As part of our processes, the response time is no longer than 14 calendar days, and each complaint is recorded in a minutes when they are settled.

The issues of the complaints can vary, and might range from reports on speeding vessels and their impact, to requests for more employment opportunities in our operation.

August 8, 2020

The year 2020, and the unfolding of the pandemic caused by the COVID-19 virus, was unlike anything we had faced before. The health measures established by the Peruvian State since March were quickly observed by our team, and resulted in changes to the field work dynamics. In early July, we announced that our oil field located in Bretaña Norte would resume productive operations. As a result of this announcement, we were alerted about social demonstrations that sought to halt all oil-related activities throughout the region.

As a company, we have met all the social commitments made with neighbor communities on a timely basis.

However, a party making political demands and arguing for increased social projects sought to be heard by the Peruvian State by threatening to disrupt the hydrocarbon sector. Demonstrators from other districts used Bretaña-Puinahua as their battle front, and with some residents of Bretaña, for several weeks they strived to get the State's attention. The demonstrators, with the support of indigenous communities of the Amazonia¹, demanded a gap closing plan to improve public infrastructure, financed by the Peruvian State, a post-oil development plan, remediation of pre-existing environmental liabilities in other oil lots, and a percentage of controlled oil barrels directly managed by the members of this platform.

In August, and despite the fact that the abovementioned manifestation and demands were not aimed at the company, the protesters hardened their measures and announced that they would seize our facilities and halt their production to make their cause more visible. In line with our social management approach, we asked them to remain calm and we tried to reach and work together with the State in order to find a prompt solution to the demands.

Despite our efforts to reach a pacific resolution to this conflict, the demonstrations reached their breaking point on August 8, and the protesters clashed with the Peruvian Police Force with dire consequences. These regrettable incidents are currently under investigation by the Office of the Criminal District Attorney of Requena.

As part of the efforts to solve conflicts, we were able to execute a three-party agreement between the District Municipality of Puinahua, the Regional Government of Loreto, and PetroTal, to supply electricity 24 hours a day to the capital of the District of Puinahua.

¹Plataforma de Pueblos Afectados por la Actividad Petrolera (Platform of Peoples Affected by Oil Activities, PAAP) attached to the Organización Regional de los Pueblos Indígenas del Oriente (Regional Organization of Eastern Indigenous Peoples, ORPIO) and Asociación Interétnica de Desarrollo de la Selva Peruana (Inter-Ethnic Development Association of the Peruvian Rainforest, AIDSESP).

¹Plataforma de Pueblos Afectados por la Actividad Petrolera (PAAP) adscrita a la Organización Regional de los Pueblos Indígenas del Oriente (ORPIO) y la Asociación Interétnica de Desarrollo de la Selva Peruana (AIDSESP).

7.2 Empowering our communities

GRI 413-1, GRI 413-2

The goal of our social intervention is to generate a new paradigm for community relationships and management within the area of influence of our operation. For this purpose, we use our three pillars as basis.

We strengthen the participation of men and women in the informational processes we carry out in the communities. We encourage the interaction between proposals and common activities that address requests sent from the local organizations.

We are responsible for carrying out our operation in a safe and environment-friendly manner, avoiding false social expectations, and transparently addressing the relevant requirements. We encourage a shared responsibility that results in a more active participation of social organizations in the management processes.

We support local entrepreneurships that are not dependent on the company and which seek to boost traditional economies, incorporate innovation and generate spaces for government, population and private sector cooperation in order to achieve the sustainable development of the populations where our operations are carried out.

We firmly believe that a combination of participation, responsibility and entrepreneurship will lead to the empowerment of local populations who seek to improve their living conditions through high-quality public services, economic opportunities, and national acknowledgement of this area, which is a driving force in the development of the country's hydrocarbon sector.





Transparency in our Operation

For us, disseminating information concerning our activities in a transparent and dynamic way is of utmost importance, as it allows the residents to become witnesses to our good operating practices. For this reason, in 2020, guided visits were carried out within our operations with board representatives and members of the localities or communities from the area of influence and the District of Puinahua.

The guided visits were organized by PetroTal's Operations Management with the participation of social-environmental supervisors of the Programa de Monitoreo Socio Ambiental Ciudadano (Socio-Environmental Citizenry Monitoring Program, PROMOSAC). The 21 supervisors represent 17 localities within the indirect area of influence and 4 Breña neighborhoods within the direct area of influence. They are familiar with our operations and they led the visits and described the processes performed by the drilling, construction, operations, environment and social activities teams.

Moreover, 115 local leaders participated and spent one day at our operation. During the visit, we observed the required safety measures and the leaders were able to verify the practices and standards that govern our operations.





The Importance of Listening to Each Other

During the year, the main social stakeholders' perceptions and expectations were gathered to identify the impressions and opinions of Puinahua's leaders. Specifically, we wanted to know how they perceived our programs and projects from a social, environmental and operational standpoint.

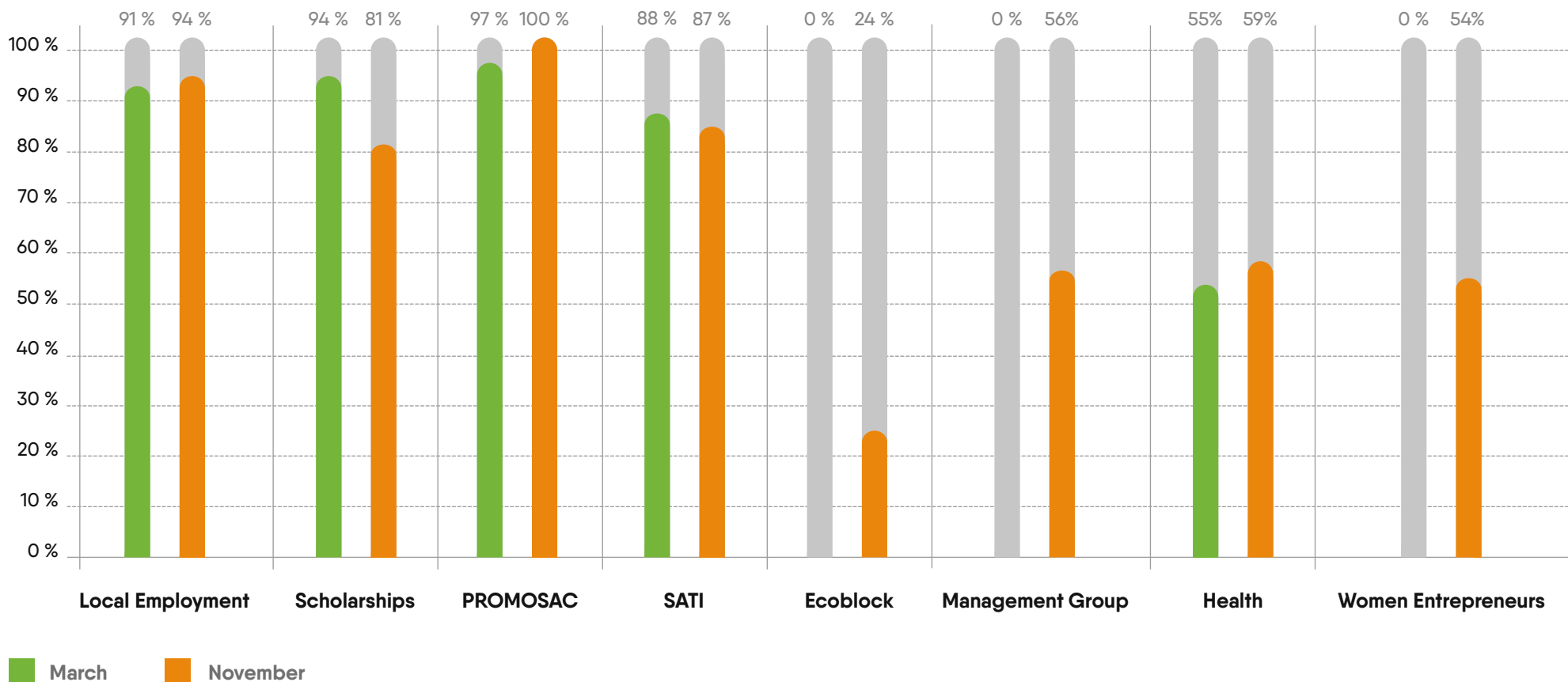
The assessment was carried out in March and November. The methodology used was a non-probability survey of exploratory nature. Its scope covered all localities and communities within our area of influence. In addition, 63 interviews were carried out with the main local leaders.

In March 2020, 94% of the interviewees stated that they had knowledge of the operation and the projects carried out by the company. In November, perception increased to 97%.

With regard to our contribution to local development, we asked about the social programs and projects they are most familiar with and PROMOSAC came on top, being recognized by 100% of the interviewees surveyed as of November 2020.



Perception results per social program

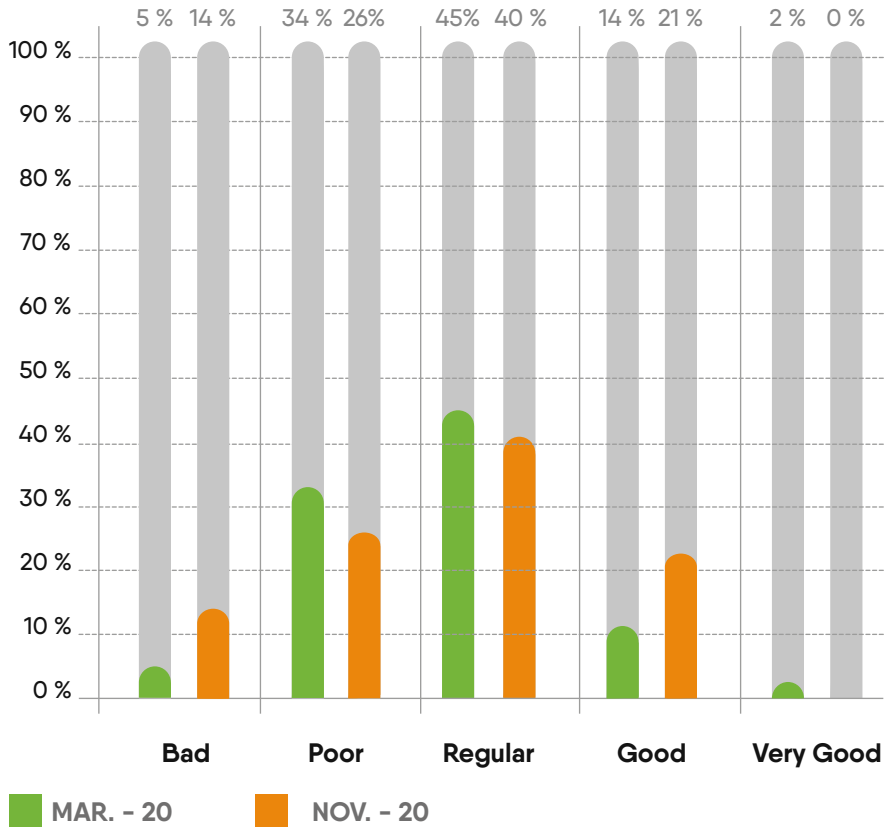


Source: PetroTal, 2020

Based on the results obtained in the sample, and as shown in the graph, PROMOSAC (Programa de Monitoreo Socio Ambiental Ciudadano, Socio-Environmental Citizenry Monitoring Program) is the most recognized program at district level. The Scholarship Project aimed at higher education students (to study at universities and institutes in Loreto) in coordination with the Apostolic Vicariate of Requena and the Local Employment Program (job positions in contractor companies and training) were also recognized.

The SATI Puinahua project—which provides comprehensive technical assistance services in productive chains related to agriculture, cattle raising, and aquaculture development), the Ecoblocks project, the work done with artisanal fishing management groups of the Pacaya Samiria National Reserve, the health agreement executed with the IPRESS Bretaña and the Women Entrepreneurs project were all affected by the COVID-19 pandemic, and its impact on the population’s learning progress is a situation

Perception on the presence of the State in the area

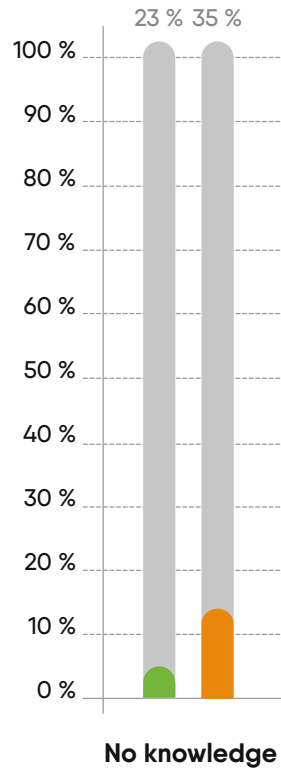


Source: PetroTal, 2020

Bretaña residents' perception of the Peruvian State's presence in the district is mostly bad, poor and regular. It is important to note that this perception leads to high expectations for the relationship between the company and the population, because the residents expect the company to solve issues that are the sole responsibility of the State.

Similarly, the Gap Closing Plan (Presidency of the Council of Ministers of Peru) is not well known among the residents, despite the fact that meetings were held to inform them about the Gap Closing Plan methodology, its projects, and their execution.

Knowledge on the gap closing plan – Presidency of the Council of Ministers of Peru



Social Management Plan Programs and Projects

Our programs and projects are part of the Social Management Plan and observe the relevant United Nations Sustainable Development Goals applicable to each intervention. These programs and projects foster a participation by men and women that is not based on a transactional approach, but on sharing the reciprocal responsibility to work together, ensuring that local entrepreneurships are addressed and accompanied through each stage of the projects.

4 QUALITY EDUCATION

Education



SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Programs



Description



Outcomes

Summer Workshops

In February and March, together with local employees, we held playful activities, mainly sports, for the children in the community.

Over 400 children participated in the project in six communities within the area of influence.

Photovoltaic panels for the IT classroom of Bretaña secondary school

We installed photovoltaic panels with referenced load and batteries that ensure the operation and electricity supply needed to power 35 computers in the IT classroom of the Bretaña secondary school. Before this intervention, the students were not able to use the computers or acquire IT skills.

Students from the first to the fifth year of secondary education can use the computers.

Higher education scholarship program

We granted full and partial scholarships to young university students so that they can attend Universidad de la Amazonía Peruana (UNAP) or higher education institutes. During this period, we provide accompaniment and verify that the scholarship is used to pay expenses related to their studies. Moreover, we have the support of the Vicariate of Requena, who participate in the administrative and accompaniment process.

A total of 11 interns: 6 university scholarship and 5 higher education institute scholarships.

3 GOOD HEALTH
AND WELL-BEING

Health



SDG 3: To ensure healthy lives and promote well-being for all at all ages.



Programs



Description



Outcomes

Delivery of drugs to counter
COVID-19

We delivered rapid tests and drugs to Bretaña's health center. This is the only medical facility in the District of Puinahua and Maquia, and it is part of the Medical Network of the Regional Health Directorate (DIRESA).

Delivery of 1150 rapid tests and over 5000 drugs for treating COVID-19 in the District of Puinahua and Maquia, an area where health care services are provided by the Micronetwork of Bretaña's health center.

Eye care campaign
(ophthalmology, optometry
and optical shop)

We carried out an eye care campaign in coordination with the District Municipality of Puinahua and VOSH Perú Eurohispano. During the campaign, 421 people received ophthalmological care.

The services provided at no cost included visual acuity diagnosis and visual acuity measurement. Prescription glasses were sold at a social cost, ensuring that the participants were able to afford them.



SDG 3: To ensure healthy lives and promote well-being for all at all ages.



Programs



Description



Outcomes

Agreement with the Bretaña Health Center

We executed an agreement with the Bretaña Health Center to gather information on the current situation of children affected with anaemia in the district. A total of 416 hemocue tests were carried out, and their results will be used to outline the activities to be performed under next year's agreement with this health center. Furthermore, as part of the agreement, two freezers were delivered to ensure that the hemoglobin test cold chain is maintained.

To obtain a baseline to improve the nutrition of children in Bretaña by 2021.

Strengthening the Bretaña Micronetwork medical response within the context of COVID-19

Medical equipment and supplies were delivered to the Bretaña health center in collaboration with the Embassy of the Federal Republic of Germany, the Diaconia NGO, and the Expertisse+ consultancy firm. This will allow to strengthen the health services offered to the population of the District of Puinahua. The emergency, observation, triage and laboratory areas were improved.

A mini fridge to store reagents, a microcentrifuge and other supplies, such as: 4 glucometer reagent strips, 4 manometers (2 large, 2 medium-sized), 2 alcohol burners, 2 steel mesh stands, 4 reagent bottles (2 for cholesterol, 2 for triglycerides).

Local development

2 ZERO HUNGER



SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

7 AFFORDABLE AND CLEAN ENERGY



SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

5 GENDER EQUALITY



SDG 5: Achieve gender equality and empower all women and girls.

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12: Ensure sustainable consumption and production patterns.



Programs/Projects



Description



Outcomes

Productive Projects in Puinahua

Our project, known as Servicio de Asistencia Técnica Integral (Comprehensive Technical Assistance Service, SATI – Puinahua) covers activities inherent to the area, like small cattle farms and agriculture. We work jointly with people in the locality through the voluntary participation of local development managers who undergo a training process and then replicate the corresponding activity, becoming guides for the families and associations that participate in the project.

The projects begin with a participatory diagnosis of each locality in the district of Puinahua whereby the activities of each family are identified, providing a good overview of each locality's strengths: the output they specialize in, sale process, etc. On the basis of a local proposal for candidates, we start a selection process looking for local technicians with academic and practical expertise, in order to train them and make them able to respond to their neighbors' needs.

- Four training workshops on cage construction and handling.

- A total of 245 families work on crop value chains such as maize, cassava, cacao, camu camu, plantains, rice, sugar cane and vegetables.

Local development

2 ZERO HUNGER



SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

7 AFFORDABLE AND CLEAN ENERGY



SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

5 GENDER EQUALITY



SDG 5: Achieve gender equality and empower all women and girls.

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12: Ensure sustainable consumption and production patterns.



Programs/Projects



Description



Outcomes

Women entrepreneurs

The development of productive capacities and business enterprises signal Puinahua's vast potential stemming from the area's natural resources—fitting for handicrafts and functional purposes—such as plantain tree fiber, chambira, palm leaves, and rice husk, in addition to already learned skills, such as embroidering. The project has three stages: training, production, commercialization and accompaniment.

- A group of 65 organized women from seven localities of the District of Puinahua strengthened their productive and management capacities in order to better run their entrepreneurship.
- Promotion of the goods produced by the beneficiaries for their commercialization in the market.

Local development

2 ZERO HUNGER



SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

7 AFFORDABLE AND CLEAN ENERGY



SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

5 GENDER EQUALITY



SDG 5: Achieve gender equality and empower all women and girls.

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12: Ensure sustainable consumption and production patterns.



Programs/Projects

Paiche fishing chain



Description

Improvement of the natural paiche fishing chain competitiveness by applying food quality and safety tools during the process to beneficiate the paiche produced under PROMAPE in the Yarina lagoon, Pacaya basin, in the Pacaya Samiria National Reserve (RNPS).

Partnership agreement executed between Organización Social de Pescadores y Procesadores Artesanales Arahua Fish (Social Organization of Artisanal Fishermen and Processors Arahua Fish), the Asociación Civil Despensa Amazónica (Amazon Provisions Civil Association) and the Technological Institute of Production.

PetroTal participated as strategic partner to ensure the completion of the objectives set for this project, awarded under PNIPA-PES-SEREX-PP000171/INF012020.



Outcomes

- Improvement of the fishing chain of the paiche produced under the Fishing Management Program (PROMAPE) in the RNPS.
- Implementation of a series of actions, such as the strengthening of the PROMAPE executors' capacities.
- Installation of a fishing platform in the RNPS.
- Three artisanal fishing management groups of Pacaya Samiria National Reserve strengthened their capacities through training on Good Fishing Manufacturing Practices applied to the paiche produced under the Fishing Management Program (PROMAPE), which contributed to improving the natural paiche fishing chain's competitiveness.

Local development

2 ZERO HUNGER



SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

7 AFFORDABLE AND CLEAN ENERGY



SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

5 GENDER EQUALITY



SDG 5: Achieve gender equality and empower all women and girls.

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12: Ensure sustainable consumption and production patterns.



Programs/Projects

Dock for Breña



Description

The Puinahua channel is the economic river corridor that connects the cities of Iquitos and Pucallpa. PetroTal contributes to the improvement of common spaces infrastructure in our area of influence by constructing a fluvial structure aimed at enabling the loading/unloading of materials and general passengers to and from cargo boats and (large) river boats that ensures the safe use of this structure and benefits the population of the District of Puinahua.



Outcomes

- Bascule bridge on the port side
- Free transit area on board
- Loading arm on the starboard side

Local development

2 ZERO HUNGER



SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

7 AFFORDABLE AND CLEAN ENERGY



SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

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12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12: Ensure sustainable consumption and production patterns.



Programs/Projects



Description



Outcomes

Control of riverbank erosion in Bretaña

The erosion caused by the changes to the Puinahua channel riverbed throughout the years have affected the riverbanks in the localities of the District of Puinahua. This pilot project is located in Bretaña, in the high neighborhood area, and it aims at preventing crop and housing areas from being affected.

- Annual bathymetric and stream assessment for early control of riverbank erosion.
- Installation of six underwater breakwaters for current and sedimentation control.

Local development

2 ZERO HUNGER



SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

7 AFFORDABLE AND CLEAN ENERGY



SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



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12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12: Ensure sustainable consumption and production patterns.



Programs/Projects

**Water & Sanitation
Technical Files for four
localities in Puinahua**

**Solar energy micronetwork
for Bretaña**



Description

The profile and technical files for four water and sanitation projects in the localities of Bretaña, Bellavista, Urarinas and San Carlos were financed in coordination with the National Rural Clearing Program of the Ministry of Housing.

The profile and technical file for the construction of a Photovoltaic Energy Plant for Bretaña has been financed in coordination with the General Bureau of Rural Energy of the Ministry of Energy and Mines.



Outcomes

- Technical files admitted by the Ministries of Housing and Construction, and Energy and Mines, currently being reviewed for execution.

Local Employment

8 DECENT WORK AND
ECONOMIC GROWTH



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.



Programs/Projects



Description



Outcomes

Local Employment

We generated temporary employment opportunities for residents of the District of Puinahua. The selection process was a joint effort with the local board, who were charged with proposing responsible individuals who met the profiles requested by our operating contractor. Accordingly, the entirety of the non-qualified workforce required by our operation was staffed by local residents of Puinahua.

From January to December 2020, we hired 156 people.

8

Annexes



8.1 Index of GRI contents

Content	Content Title	Section	Omission
Universal standard – Essential option			
GRI 102: General Disclosures (2016)	102-1	Name of the organization	None
	102-2	Activities, brands, products, and services	None
	102-3	Location of headquarters	None
	102-4	Location of operations	None
	102-5	Ownership and legal form	None
	102-6	Markets served	None
	102-7	Size of the organization	None

Content	Content Title	Section	Omission
Universal standard – Essential option			
GRI 102: General Disclosures (2016)	102-8	Information on employees and other employees	None
	102-9	Supply chain of the organization	None
	102-10	Significant changes to the organization and its supply chain	None
	102-11	Precautionary Principle or approach	None
	102-12	External initiatives	None
	102-13	Membership of associations	None
	102-14	Statement from senior executives responsible for decision making	None

Content	Content Title	Section	Omission
Universal standard – Essential option			
GRI 102: General Disclosures (2016)	102-16	Values, principles, standards, and norms of behavior	None
	102-18	Governance structure	None
	102-40	List of stakeholder groups	None
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	None
	102-43	Approach to stakeholder engagement	None
	102-44	Key issues and concerns raised	None

Content	Content Title	Section	Omission
Universal standard – Essential option			
GRI 102: General Disclosures (2016)	102-46	Defining report content and topic boundaries	None
	102-47	List of material issues	None
	102-48	Restatements of information	No information restatement.
	102-49	Changes in reporting	No significant change.
	102-50	Reporting period	None
	102-51	Date of most recent report	This is the first report.
	102-52	Reporting cycle	Annual.

Content	Content Title	Section	Omission	
Universal standard – Essential option				
GRI 102: General Disclosures (2016)	102-53	Contact point for questions regarding the report	Ronald Egusquiza: regusquiza@petrotal-corp.com	None
	102-54	Claims of reporting in accordance with the GRI Standards	This report was prepared pursuant to the Essential option of the GRI Standards.	None
	102-55	GRI content index		None
	102-56	External assurance	No policy that requires the external assurance of the report.	None
Topic-specific standards – Per material topic				
Material topic: Spill prevention				
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its coverage		None

Content		Content Title	Section	Omission
GRI 103: Management Approach (2016)	103-2	The management approach and its components		None
	103-3	Evaluation of the management approach		None
GRI 306: Effluents and Waste	306-3	Significant spills		None

Material topic: Risk and crisis management

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its coverage		None
	103-2	The management approach and its components		None
	103-3	Evaluation of the management approach		None

Content	Content Title	Section	Omission
Material topic: Business ethic and compliance			
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its coverage	None
	103-2	The management approach and its components	None
	103-3	Evaluation of the management approach	None
GRI 201: Economic performance (2016)	201-1	Direct economic value generated and distributed	None
GRI 205: Anti- Corruption (2016)	205-1	Operations assessed for risks related to corruption	None
	205-2	Communication and training about anti-corruption policies and procedures	None

Content		Content Title	Section	Omission
GRI 205: Anti- Corruption (2016)	205-3	Confirmed incidents of corruption and actions taken		None
GRI 307: Environmental Compliance (2016)	307-1	Non-compliance with environmental laws and regulations		None
GRI 419: Socioeconomic Compliance (2016)	419-1	Non-compliance with laws and regulations in the social and economic area		None
Material topic: Community commitment				
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its coverage		None
	103-2	The management approach and its components		None
	103-3	Evaluation of the management approach		None

Content	Content Title	Section	Omission
GRI 413: Local Communities (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	None
	413-2	Operations with significant actual and potential negative impacts on local communities	None

Material topic: Dialogue with stakeholders

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its coverage	None
	103-2	The management approach and its components	None
	103-3	Evaluation of the management approach	None

Content	Content Title	Section	Omission
Material topic: Safety and health			
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its coverage	None
	103-2	The management approach and its components	None
	103-3	Evaluation of the management approach	None
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	None
	403-2	Hazard identification, risk assessment, and incident investigation	None
	403-3	Occupational health services	None

Content	Content Title	Section	Omission
GRI 403: Occupational Health and Safety	403-4	Employee participation, consultation, and communication on occupational health and safety	None
	403-5	Employee training on occupational health and safety	None
	403-6	Promotion of employee health	None
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	None
GRI 403: Occupational Health and Safety	403-8	Employees covered by an occupational health and safety management system	None
	403-9	Work-related injuries	None

Content		Content Title	Section	Omission
GRI 403: Occupational Health and Safety	403-10	Work-related ill health		None

Material topic: Climate change

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its coverage		None
	103-2	The management approach and its components		None
	103-3	Evaluation of the management approach		None

Content		Content Title	Section	Omission
GRI 302: Energy (2016)	302-1	Energy consumption within the organization		None
	302-3	Energy intensity		None
	302-4	Reduction of energy consumption		None
GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions		None
	305-5	Reduction of GHG emissions		None



 **PetroTal**
LIDERADA Y OPERADA POR PERUANOS